



# *Daily Report*

# China

FBIS-CHI-91-087  
Monday  
6 May 1991

# Daily Report

## China

FBIS-CHI-91-087

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6 May 1991

**NOTICE TO READERS:** On 6 May 1991, the DAILY REPORT will begin phasing in new radio and television sourcelines that reflect how a station identifies itself. This change eliminates the "Domestic Service" and "Television Service" designations in favor of the station identification as broadcast. The presence of a new sourceline reflects this change in policy, rather than the establishment of a new station or network.

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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General

**'Bushism' Seeks U.S.-Dominated New World Order**  
*HK0305113491 Hong Kong AFP in English 1059 GMT  
3 May 91*

[Text] Beijing, May 3 (AFP)—U.S. President George Bush is trying to establish a new world political order under American domination in the wake of the Gulf war, an official Chinese newspaper said Friday.

In an attack on what it called "Bushism," the China Youth News [ZHONGGUO QINGNIAN BAO] accused the White House of trying to "destroy all regional powers that challenge the 'New World Order'."

The Communist Youth League publication said the Gulf war had proved a "testing ground" for Mr. Bush's designs and accused him of trying to impose U.S. political will on Middle East countries.

"The core of 'Bushism' is, while maintaining rapprochement with the Soviet Union and paying close attention to the changing situation in Eastern Europe, to take all necessary means to prevent regional powers from threatening U.S. interests and to establish a 'New World Order' under U.S. domination," it said.

The report was the first confirmation of what China's senior leaders have been hinting at since the Gulf conflict began in August, that the United States was trying to establish a one-superpower world.

Beijing's leaders have repeatedly warned of a "new form of hegemonism," but have stopped short of naming the United States as its promoter.

China Youth News said Washington's strategy had shifted from confronting a weakened Moscow to preventing economic recession in Western capitalist countries by controlling the world oil market.

"The nuclear confrontation between the Soviet Union and the United States has been transformed into one country—the United States—threatening regional powers," the paper said.

It said the biggest threat to U.S. interests was the proliferation of advanced weapons and regional conflicts, adding that Washington especially wanted to control the spread of lethal weapons in the Gulf.

"Regional powers that dare to challenge the United States have become the main target of 'Bushism,'" China Youth News said.

The United States had left Iraqi President Saddam Husayn in power to avoid a vacuum in the Gulf and "pin down" Iran and Syria and leave an excuse for continued military presence in the Middle East, the paper said.

**'Talk' on New World Order, U.S. Relations**

*HK0605061491 Hong Kong TA KUNG PAO in Chinese  
6 May 91 p 2*

[“Political Talk” column by Shih Chun-yu (2457 0689 3768); “New World Order and Sino-U.S. Relations”]

[Text] China received foreign ministers of many countries last month, including of Japan, Britain, France, and Australia. At the Asian Development Bank conference, which has just ended, President Kimimasa Tarui said a decision will be made by the end of this month on restoring credit to China. All this shows that with the further improvement in China's political and economic situation, there is also a trend of normalization and overall restoration in China's relations with the Western world.

**Chinese Party and Government Leaders' Visits to Other Countries**

Last month, the National People's Congress [NPC], China's supreme political organ, adopted two economic development programs for China's intermediate and long-term development, namely, the Eighth Five-Year Plan and the 10-Year Program. China will concentrate its strength on economic development and increase standards of the people's life from the level of having food and clothing to a level of being comparatively well-off. This requires stable internal and peaceful international environments. The improvement of relations between China and the West is in line with this demand.

The visits made by two Chinese party and government leaders to other countries this month are also aimed at relaxing the regional situation. Premier Li Peng is now visiting Pyongyang, and General Secretary Jiang Zemin will go to Moscow on 15 May.

Peace and stability on the Korean peninsula have an influence not only on China but also on Asia and the world. Recently, the greatest change on this peninsula is that Seoul has become friendly with Moscow and extended economic relations with Beijing, putting Pyongyang in a relatively isolated position. Thus, Pyongyang may become a new factor of instability on the peninsula. To weaken this new threat, Beijing is playing its unique role. This is why Li Peng's Pyongyang visit attracts great attention.

**Annotations on "New Order"**

Jiang Zemin's Moscow trip will be made when the Soviet Union is faced with great difficulties in the political, economic, and social spheres. His visit indicates China's support for Gorbachev in stabilizing the Soviet situation. Although both China and the Soviet Union have said that they will not restore the past relationship of alliance, the visit of the CPC's general secretary, which is the first in the past 40 years, still merits great attention.

especially when changes are taking place in the international situation after the Gulf war. Soviet Defense Minister Yazov is now visiting Beijing. This more or less reflects the importance of Jiang Zemin's visit.

The United States often uses the phrase "new world order" to describe the new international situation after the Gulf war. Bush gave the following four points to explain the "new order": To settle disputes by peaceful means; to unite as one against aggression; to reduce and control arms; and to treat the people of all countries fairly. But from what the United States did in the Gulf war, a deeper impression people have gotten of the "new order" is the annotations made by some U.S. congressmen and theorists on a "single-polar world" and "international gendarme."

There has been extensive international comment on this issue, and two of them merit our attention. First, some people hold that the Gulf war proves that the United States does not have sufficient political and economic strength. When it wants to deal with a Third World country armed with second-rate weapons, it has to rely on the military expenditures of others and the support of the United Nations. After the war, it is also too weak to carry out the Marshall Plan it carried out after the World War II. The current world can only be called a "no-polar world." Second, some people hold that it is necessary to establish a "new world order," but it should be a new international relationship of peace, equality, dialogue, cooperation, and no interference in other countries' internal affairs.

#### **Foundation Stone of Sino-U.S. relations?**

Sino-U.S. relations fall into a low tide in the debate on the "new world order." Some U.S. Congressmen said openly that the human rights issue is the foundation stone of Sino-U.S. relations. They proposed to use the trade law of the United States to put pressure on China and put forth all kinds of preconditions for extending the most-favored-nation treatment to China. This shows that some people in the United States are trying to readjust Sino-U.S. relations with their standard of "new world order," pushing aside the three communiques issued when China and the United States established diplomatic relations.

U.S. Undersecretary of State Kimmit arrived in Beijing yesterday. He will attend a meeting to discuss issues concerning recent developments of Sino-U.S. relations. The result of the meeting will have an important bearing on Hong Kong's major economic interests and even on the effective operations of the United Nations, which are becoming more and more important at present. The development of Sino-U.S. relations has not come easily. It would be a pity if they are destroyed by some people who lack foresight.

#### **UN Commission To Demarcate Iraq-Kuwait Border**

*OW0405002291 Beijing XINHUA in English  
2346 GMT 3 May 91*

[Text] United Nations, May 3 (XINHUA)—U.N. Secretary-General Javier Perez de Cuellar will establish a commission to demarcate the Iraq-Kuwait border in accordance with Security Council Resolution 678.

In a report to the Security Council dated May 2 and circulated today as a council document, the U.N. chief said the commission is to be composed of one representative each of Iraq and Kuwait and three independent experts to be appointed by him. One of the three independent experts will also serve as the chairman of the commission.

The commission will "demarcate in geographical coordinates of latitude and longitude the international boundary" agreed upon by the countries in 1963, the report says.

It adds that the commission will also make arrangements for the physical representation of the boundary and that the coordinates established by the commission "will constitute the final demarcation of the international boundary between Iraq and Kuwait."

Under Security Council Resolution 678, which was adopted on April 3 and sets the terms for a formal cease-fire in the Gulf, the secretary-general is required to lend his assistance to make arrangements with Iraq and Kuwait to demarcate their boundary and report back to the Security Council within one month.

The report says the Iraq-Kuwait boundary demarcation commission will take its decisions by majority and that its decisions regarding the demarcation of the boundary will be final.

It proposes that all the costs involved in the boundary demarcation should be shared between the two interested countries.

Kuwait has expressed its acceptance of the terms set out in the report, the draft of which had been presented to the two countries earlier, and readiness to cooperate with the United Nations in implementing the terms.

Iraq, however, has expressed objections to the terms although it said it would cooperate with the secretary-general and nominate a representative to the commission.

In a letter to the U.N. chief on April 23, Iraqi Foreign Minister Ahmad Husayn said the 1963 boundary accord between Iraq and Kuwait has not been ratified by the legislative authority and the president of Iraq and thus the question of the boundary is still pending and unresolved.

He charged that Resolution 678 "has imposed a border situation on Iraq, an independent sovereign state and member of the United Nations, and has deprived it of its

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## INTERNATIONAL AFFAIRS

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right to establish its territorial rights in accordance with the principles of international law."

Under the 1963 accord, the Iraq-Kuwait border would be pushed north by five to eight kilometers from the border standing before August 2, 1990, when Iraq invaded Kuwait and thus touched off the Gulf crisis.

### **Yao Guang Addresses IPU Conference in Pyongyang**

*OW0405033091 Beijing XINHUA Domestic Service  
in Chinese 1413 GMT 3 May 91*

[Text] Pyongyang, 3 May (XINHUA)—Yao Guang, head of a delegation from the Chinese National People's Congress, said today at the 85th conference of the Inter-Parliamentary Union [IPU] held here: The world is in a period when the old pattern is being succeeded by a new one. Though some international changes worth welcoming have appeared, peace and development desired by the people in the world are still faced with grim challenges. As can be seen, some hidden political, economic, and ethnic contradictions suddenly have become pronounced. The gap between the rich North and the poor South has been widened further. Hegemonism and power politics still exist, and the international situation has become all the more turbulent.

He said: "Though a cease-fire has been reached in the Gulf war, a great deal of work has to be done to restore peace and stability in that region. We hold that matters in the Gulf region should be addressed mainly by the countries in that region through consultation; that the independence, sovereignty, and territorial integrity of those countries should be respected; that their internal affairs should be handled by their own people; and that foreign military forces should be withdrawn from the Gulf region. To achieve sustained peace in the Middle East, the issues in that area, including the Palestinian question, should be solved as soon as possible in a fair, reasonable, and comprehensive way. Israel should withdraw from the occupied Arab territory, and the Palestinian people's legitimate national rights should be restored. The State of Palestine and Israel should recognize each other. All Middle East countries, including Palestine and Israel, should live in harmony. We support the convocation of an international conference under UN auspices on Middle East issues, attended by the five permanent members of the Security Council together with all the parties concerned. We support the parties concerned in conducting various forms of dialogue to solve the Middle East questions by political means.

He expressed full support for President Kim Il-song's speech at the opening ceremony of the current conference and the DPRK's proposal for independent and peaceful reunification of Korea. He said that the meeting between the premiers of North and South Korea is conducive to the improvement of their relations, and that China hopes the parties concerned will continue their positive efforts for the relaxation and stability of the situation on the Korean peninsula.

He said: "We hold that the new international order to be established should comprise a new political order and a new economic order. Its guiding principles should be mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. These five principles are in conformity with the purposes and principles of the UN Charter and reflect the essential characteristics of the new international relations. The core of the new international order should be as follows: All countries—large or small, strong or weak, rich or poor—are independent and should treat each other equally. In international relations, the large should not oppress the small, nor should the strong lord it over the weak, neither should the rich bully the poor. Countries in the world should be equally involved in consultations to solve international affairs, and there should be no monopoly by one or a few great powers. All countries have the right to choose their social systems, ideologies, economic modes, and roads of development on the basis of their own national conditions, and no country should impose its own choice on others or interfere in the internal affairs of others. All countries should respect each other's sovereignty and territorial integrity. International disputes should be solved in a rational way through peaceful talks. What is to be opposed is the resort to force or the threat of force and the settlement of international disputes by war. The old international economic order should be reformed and replaced by a new fair and rational international economic order based on equality and mutual benefit. Obviously, such a new international political order and a new international economic order are in line with the aspirations and fundamental interests of the people of all countries, and are conducive to seeking sustained peace in the world and achieving the common development of all countries. Because of this, they are in full accord with purposes and activities of the Inter-Parliamentary Union."

He said: At present there is a serious economic imbalance between developed and developing countries with the rich getting still richer and the poor becoming even poorer. Many developing countries are experiencing increasing economic difficulty, faced with the serious problems of large amounts of debts, deteriorating trade conditions and outflow of funds. China supports the efforts of developing countries to strengthen South-South cooperation and promote North-South dialogue, and hopes that developed countries will contribute to improving the international economic environment, particularly toward solving the developing countries' foreign debt problems.

In conclusion, Yao Guang said: China now enjoys domestic political stability and social stability, and its economy is developing steadily. China will continue to pursue its independent foreign policy of peace, implement its reform and open policies, and develop friendly and cooperative relations with all other countries.

**Conference Concludes**

OW0405145291 Beijing XINHUA in English  
1333 GMT 4 May 91

[Text] Pyongyang, May 4 (XINHUA)—The 85th Inter-Parliamentary Conference concluded here today after adopting three resolutions on disarmament, the Middle East and protection of children and women.

The resolution on disarmament urged the United Nations to continue to adopt co-ordinating measures to prevent nuclear weapons proliferation and called for a meeting of major arms exporters to make a formal commitment to increased transparency and a greater restraint in arms exports.

The resolution also expressed the hope that further initiatives will be forthcoming to turn the Mediterranean and the Near and Middle East into a denuclearized zone.

The resolution stressed the significance of the principles of international law, especially respect for sovereignty, equality, political independence, territorial integrity and the right of peoples to self-determination.

The conference was attended by parliamentarians from more than 80 countries.

The resolution on the Middle East issue expressed support for the convening of an international conference on peace in the Middle East under United Nations auspices to provide a framework for a just and lasting solution to the Arab-Israeli conflict.

It also urged Israel to implement the related United Nations resolutions and to withdraw unconditionally from the occupied Arab territories.

The resolution requested all parliaments to use their influence to secure the immediate and unconditional release of hostages still held in Lebanon and elsewhere.

The resolution on the protection of children and women, which was adopted unanimously by the week-long conference, called for policies to put an end to violence against children and women.

It called on parliaments and governments to enact and enforce appropriate legal measures to protect children and women from violence and prohibit all forms of violence against them.

The next Inter-Parliamentary Conference is scheduled to be held in Santiago, capital of Chile, next October.

**Woerner Notes NATO Key to European Security**

OW0405092891 Beijing XINHUA in English  
0724 GMT 4 May 91

[Text] Rome, May 3 (XINHUA)—The North Atlantic Treaty Organization (NATO) remains "the key of change" toward a new security system of a united Europe for its role in maintaining stability and resisting the Soviet Union, NATO Secretary General said here today.

Manfred Woerner was addressing a symposium "looking into prospects for European security from political, strategical and industrial angles," which started Thursday evening, co-sponsored by Italian newspaper "EVENING POST" (CORRIERE DELLA SERA) and "INTERNATIONAL HERALD TRIBUNE."

He said NATO supported the EC's efforts to seek its political integration and its "identity" in the areas of its security and defense system.

At a press conference after the meeting, Woerner stressed that the concepts of security in the North Atlantic region and that for Europe are identical and indispensable. The pillar of NATO in Europe, which might be based on Western European Union (WEU), should provide guarantee for all European nations including Norway and Turkey to play their part, he added.

Though concerned about the security in Eastern European countries, NATO has no plan to shift its focus easternward, Woerner said.

At the opening ceremony of the symposium, Italian Foreign Minister Gianni de Michelis pointed out that the future European security will be shaped by three major factors: The progress of European integration, the expansion of the European Community and the establishment of a common security system on the continent of Europe.

De Michelis said the progress of European integration will inevitably bring about its common policies of foreign affairs, security and future defense, which will have close links with NATO.

Noting that NATO would remain the core of all future orders, De Michelis emphasized that WEU should play a twofold role—a tool of European security and defense and the European pillar of NATO. It should be the center in the transitional period, he said.

Italian Prime Minister Giulio Andreotti and Defense Minister Virginio Rognoni also made speeches at the symposium.

**Global Environment Meeting Reviews Program**

OW0405004391 Beijing XINHUA in English  
0017 GMT 4 May 91

[Text] Washington, May 3 (XINHUA)—The countries participating in the Global Environment Facility (GEF) have held their first semi-annual meetings to review the GEF's work program for 1991.

According to a World Bank announcement today, the participants agreed, during their meeting May 1-2, that the program should include 15 environmental protection projects that will cost 214 million dollars and 11 technical assistance proposals totaling 59 million dollars.

The projects slated for implementation this year include proposals to preserve tropical forests in the Congo; protect biodiversity in Eastern Africa, the South Pacific, and Poland; arrest marine pollution in China and strengthen national conservation units in Brazil.

Technical assistance projects include a proposal for global monitoring of greenhouse and ozone-depleting gases.

The GEF, established in November 1990, is a three-year 1.5 billion dollars fund that will support projects in developing countries that address four concerns—reducing global warming, preserving the earth's biological diversity, protecting international waters, and preventing further depletion of the planet's ozone layer.

The United Nations Development Program (UNDP), the United Nations Environment Program (UNEP), and the World Bank are the GEF's implementing agencies. The World Bank administers the GEF trust fund and is responsible for appraising and supervising investment projects.

More than 20 countries, eight of them in the developing world, have contributed to the GEF, and other nations are expected to participate in the future.

The countries that have provided contributions are Austria, Brazil, China, Denmark, Egypt, Finland, France, Germany, India, Indonesia, Italy, Japan, Mexico, the Netherlands, Norway, Pakistan, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

Contributions to the GEF fund have so far amounted to about 800 million dollars.

### International Public Relations Association Formed

OW2604172391 Beijing XINHUA in English  
1528 GMT 26 Apr 91

[Text] Beijing, April 26 (XINHUA)—The China International Public Relations Association (CIPRA) was established at a ceremony here today against the background that China's reform and open policy is striking deeper in the hearts of the people.

The four honorary presidents of the association are Huang Hua, former vice-chairman of the National People's Congress Standing Committee, former vice-premier and former foreign minister; as well as Wang Shoudao, Yuan Baohua and Wang Daohan.

Former Chinese ambassador to the United States Chai Zemin takes the post of the president of the association. Addressing the inauguration ceremony, Chai said that the objectives of the association are among others, to uphold the Chinese Communist Party's general line and pursue China's foreign policy, to promote the development of China's public relations both at home and abroad, to contact international, national and regional public relations organizations and professionals in the

world, to promote their contacts, understanding and cooperation in an effort to "let the world know China better and let China keep abreast with the world", thus contributing to the realization of China's socialist modernizations and the safeguarding of world peace.

"After CIPRA's inauguration, we shall develop public relations professional exchanges both at home and abroad at high levels and in the following four specific fields: international public relations business exchanges, public relations academic research, public relations personnel training and information and consultancy services," the president said.

Vice-presidents of the association are Mao Guohua, Zhu Chuanxian, Xiao Xiangqian, Yang Shouzheng, Chen Zaoyuan and Gao Liang.

Ngapoi Ngawang Jigme, vice-chairman of the National People's Congress Standing Committee, attended the meeting. Among more than 300 participants were public figures from all walks of life and diplomats of a number of foreign countries in Beijing.

### United States & Canada

#### Reports Continue on Most-Favored-Nation Status

##### No Yielding to Pressure

HK0505051691 Hong Kong MING PAO in Chinese  
5 May 91 p 18

[“Exclusive Interview” by staff reporter Chung Shi-mei (6945 1102 2734); “China Will Not Yield to Pressure on the Most-Favored-Nation Status Issue”]

[Text] China has clarified to the United States through diplomatic channels its attitude toward the most-favored-nation status issue, a Chinese official said. If China is deprived of the most-favored-nation status in the United States, it will withdraw the most-favored-nation treatment for the United States in return. The official emphasized that China would not yield to any pressure.

Interviewed by this reporter, the official, who does not want his name to be quoted, said he believed that there is now in the United States a rather strong support for the U.S. Government to extend the most-favored-nation status for China. Such support comes from businessmen running Sino-U.S. trade, as well as American consumers and importers, who are fully aware of what unfavorable effects the deprival of China's preferential trade status may have on Sino-U.S. trade.

Once China lost its most-favored-nation status, it would withdraw the most-favored-nation treatment for the United States in return, which would lead to a drastic increase in the prices of U.S. goods and the loss of competitive power of these goods on the Chinese market, the official added.

The Chinese official said: China has already launched a lobbying campaign through two channels, namely, the Chinese embassy in the United States and the U.S. embassy in China. He expressed his hope that U.S. policy-makers and congressmen, when making their judgment, would adopt a sober attitude and give consideration to such long-term factors as Sino-U.S. relations, international trade, and the world political situation, as depriving China of most-favored-nation status would have unfavorable economic impact on other countries, especially the Southeast Asia region, and it would also cause a great setback in the development of Sino-U.S. relations.

Commenting on some U.S. congressmen's criticism against China in terms of human rights, the official noted that the human rights conditions are China's internal affairs. As China and the United States have very different historical backgrounds and national conditions, the United States should not force its standards on China. By the way, since China is at a developing stage, maintaining stability is the best remedy to promote the Chinese people's wellbeing.

Predicting the impact of the possible loss of most-favored-nation status on China's economy, the official believed that short-term impacts are almost certain. However, there will be no serious influence on the long run because China's economy is not export-oriented, but of a comprehensive model (where export and import develop side by side). China still can survive, and history has already shown that China will never yield to any pressure, he said.

#### **MFN Used for 'Blackmailing'**

HK0605041591 Hong Kong WEN WEI PO in Chinese  
6 May 91 p 2

[Editorial: "U.S. Is Wrong for Using 'Most Favored Nation (MFN)' Clause as Blackmailing Tool"]

[Text] It has been two years since the "Beijing upheaval" and all Western countries have resumed normal ties with China, except the United States, which continues to "play games" and to deliberately put Sino-U.S. relations in an abnormal [bu zheng chang 0008 2973 1603] state as it repeatedly engages in petty unilateral maneuvers which undermine bilateral relations. Bush's recent meeting with the Dalai Lama, and his tolerance and support of the Dalai Lama's separatist activities; the U.S. Government's suspension of the sale of communication satellite spare parts to China; U.S. persistence on blackmailing China over the extension of the MFN clause issue: this series of events has hurt Sino-U.S. relations and, indeed, what is the U.S.' intention?

The U.S.' subjective intent is to impose its value concept, ideology, development pattern and sociopolitical system on China and subject China to the U.S.' will. The U.S.' conduct not only violates the Five Principles on Peaceful Coexistence among states, but is also contrary to the UN Charter's principle of noninterference in other

states' domestic affairs. China, long an independent state, will never abide by foreign states' commands.

The Sino-U.S. MFN agreement was concluded when China and the United States established diplomatic relations in 1979. The basis for this agreement's conclusion was the principle underlying the Shanghai Communiqué and the communiqué on the establishment of diplomatic relations between China and the United States: that while China and the United States do not have the same social system or ideology, they have to coexist peacefully, respect each other's sovereignty and territorial integrity, and not intervene in each other's internal affairs under the Five Principles. Twelve years ago, China and the United States accorded each other MFN treatment in accordance with this principle. The reason was that cooperation between the two big countries conformed with both countries' interests, as well as contributed to world peace and stability. The two countries could set aside political and value concepts in order to engage in friendly cooperation.

Today, some U.S. congressmen have made many remarks on the human rights question in China and have threatened to withdraw MFN treatment, in violation of the bilateral agreement the United States signed 12 years ago as well as of the UN Charter.

Some people claim that the United States uses human rights standards to determine the granting of MFN treatment. This is completely untrue. Countries like South Africa and Israel, which violate human rights daily and brutally suppress demonstrations by other races, and regions and countries in Asia which put political prisoners behind bars indefinitely, have continued to enjoy MFN treatment. As for the Latin American rightist dictatorships, they not only enjoy MFN treatment, but also receive military and economic assistance. To date, there are 16 countries in the world which do not receive MFN treatment from the United States, and they are countries which pursue socialism. The United States wants these countries to "reform" according to the Western model before it grants them corresponding treatment. Quite obviously, this is not a question of human rights, but one of changing another country's political system, of interference in the internal affairs of others.

To harass China, certain legislators and media in the United States have launched a series of slanderous offensives against China, claiming that "China exports goods made in prison camps to the United States," "China does not protect U.S. intellectual property rights," and "China contributes to the proliferation of nuclear weapons." These rumours are without any factual basis and their linkage to the MFN question only serves to show the paucity of the arguments of certain legislators and media who have to resort to rumor-mongering. U.S. business sources are aware that for the most part, the U.S. trade deficit is caused by the joint venture factories set up in special economic zones or cities along the coasts of south China, and that most of

these investors are Hong Kong and U.S. businessmen who hire Chinese workers, so how can they be said to be goods made in prison camps? To use this as an excuse to withdraw China's MFN treatment will merely punish U.S. and Hong Kong businessmen who have promoted Sino-U.S. trade.

Through its labor reform of criminal offenders, patient education and assistance in providing them manpower training and skills, China helps its criminal offenders to obtain a new life once they get out of prison and turn a new leaf. This is a successful measure used to cure and help patients in China's judicial system and is also a concrete action manifesting genuine care and concern for criminal offenders. This system exists not only in China but also in many Western countries. Hong Kong, too, integrates punishment with education through a system which obliges prison inmates to carry out forced labor [as published]. U.S. intervention in China's judicial system is totally groundless. Given the absence of proof, U.S. fabrication of rumors that goods exported to the United States are made by prison inmates is also extremely ridiculous [shi fen huang miu 0577 0433 5435 6208].

In clamoring to block extension of China's MFN treatment, Democratic congressmen from California have been most vigorous in proposing extortionist [e zha 6073 6094] conditions. They have openly declared that because Sunquist oranges are not allowed into the mainland, the "MFN clause" would have to be used as a bargaining chip to force China to open its market. To this day, the United States refuses to allow the entry of vegetables from foreign countries, to prevent the spread of farm diseases and viruses. As an agricultural country, China shares the same reason as the United States in banning the import of vegetables from other countries. If "only prefectural officials are allowed to set fire" and the United States allowed to indiscriminately alter China's farm quarantine system, will the Chinese people agree to this?

In the early days after the declaration of U.S. independence, the European colonialists tried to interfere in the U.S. system, prompting the fifth U.S. President, Monroe, to introduce the "Monroe Doctrine," which sought to defend the country's independence. He stated: "Any attempt by other countries to control the fate of the United States is an unfriendly act toward the United States." "the policy of the United States is nonintervention, and it hopes that other countries will adopt the same policy." Do not do unto others what you do not want others to do unto you. On the way to independence, the United States had resisted intervention from the European powers; therefore, it should put itself in the position of others and respect the Chinese people's endeavors to safeguard their own independence and sovereignty. When U.S. Assistant Secretary of State Kimmit visits China to discuss bilateral relations, China's leaders will definitely reiterate the three Sino-U.S. communiques and use them to deal with the "MFN clause" issue.

### MFN 'Cornerstone' of Trade

HK0305121591 Beijing GUOJI SHANGBAO in Chinese  
20 Apr 91 p 1

[Editorial: "Safeguard Cornerstone of Sino-U.S. Economic Relations and Trade"]

[Text] Sino-U.S. economic relations and trade have developed rapidly in the past dozen years. The volume of trade between the two countries reached U.S. \$11.7 billion in 1990, nearly four times the corresponding figure of 1979, when bilateral diplomatic relations were established. The United States has become China's third largest trading partner and the U.S. businessmen's investments have made the United States the biggest foreign investor in China, the value of relevant trade agreements totalling U.S.\$4.36 billion. It has not been easy for Sino-U.S. economic relations and trade to develop to the present level. It has resulted from the joint efforts of the governments, entrepreneurs, and people from various circles in both China and the United States, who have surmounted the difficulties that have come in the way. Both sides should treasure this with particular attention.

However, the reciprocation of the Most Favored Nation [MFN] status, the most important article in the Sino-U.S. trade agreement and the cornerstone for developing the Sino-U.S. economic relations and trade, has met with frequent interference in the United States. Last year, some people in the U.S. Congress proposed abolishing the MFN status for China, but to no avail. This year, some people proposed the same bill in an attempt to terminate or conditionally retain China's MFN status. This attempt's success would severely impair the cornerstone of Sino-U.S. economic relations and trade. This would inevitably have a serious impact on Sino-U.S. relations, especially their economic relations and trade, causing a major retrogression in Sino-U.S. economic relations and trade. Neither the Chinese nor the American people would like to see this happen, as it would not only seriously hinder China's production of exports for the United States, but also impair the interests of the broad masses of American consumers, affect China's imports from the United States, undermine the interests of U.S. investors in China, and jeopardize Hong Kong's prosperity and stability. Such a major issue, which exerts an overall impact, has certainly evoked grave concern among people from both countries' economic and trade circles.

Safeguarding and prolonging China's MFN status is not only in the interest of both China and the United States, but also conforms to the international political and economic trend. In recent years, while making active efforts to develop economic relations and trade with developing countries, the Soviet Union, and East European countries, China has also been enthusiastically expanding economic and technological exchanges with developed industrial countries in the West. At present, most Western countries have resumed normal relations

with China in regard to government loans, credit guarantees, and bilateral cooperation. A new batch of agreements on government loans, which were suspended for two years, have been concluded. Some Western countries have also eased restrictions on technology exports to China to a certain extent, though the steps are small. China now enjoys political and social stability and a steady economic growth. The 10-Year Program for Economic and Social Development and the Eighth Five-Year Plan, which were newly approved by the National People's Congress, have delineated a bright future for developing economic relations and trade with the rest of the world, including the United States.

There is great potential for the development of Sino-U.S. economic relations and trade. The two countries' economies are highly complementary: China needs American technology, funds, and markets, while the United States needs the big market in China with its 1.1 billion people, and to import necessary commodities from the latter. Long-term, steady development of Sino-U.S. economic relations and trade tallies with the common interests of both China and the United States. So long as China and the United States treasure the established basis of fine cooperation, respect each other, improve mutual understanding, and preserve the MFN status, which is the cornerstone of bilateral economic relations and trade, there will be broad prospects for Sino-U.S. trade and economic cooperation.

#### **Joint Effort Needed**

OW0405133391 Beijing XINHUA in English  
1257 GMT 4 May 91

[Text] Beijing, May 4 (XINHUA)—The Chinese news-weekly "OUTLOOK" [LIAOWANG], in its advance issue of May 6, calls for joint efforts by the United States and China to ensure the normal growth of their economic and trade relations.

In a signed commentary entitled "joint efforts for a sustained development of Sino-U.S. economic and trade relations," the weekly says the question of whether the United States should continue to grant China the most-favored nation (MFN) status has once again captured the attention of businessmen and consumers in both countries as U.S. President George Bush is going to make a decision on this question and submit it to the Congress for deliberations by early June.

The volume of Sino-U.S. trade has registered remarkable growth since July 7, 1979, when a bilateral agreement on trade relations was signed to grant each other the MFN status, the commentary says.

Quoting statistics from Chinese customs, the commentary says the volume of bilateral trade grew to 11.78 billion U.S. dollars in 1990 from 2.45 billion dollars in 1979.

The United States has become the third largest trade partner of China and the biggest foreign investor in this country with a total of 4.36 billion dollars, it says.

However, the commentary notes, a number of U.S. congressmen went so far as to draft a bill last year in an attempt to revoke China's MFN status or attach pre-conditions on such a status. Should they succeed in this attempt, it warns, the Sino-U.S. relations would be gravely impaired and their economic and trade ties, in particular, would suffer serious setbacks.

Such a development would harm not only China's imports and exports and the interests of American consumers and businessmen who have stakes in China, but also the stability and prosperity of Hong Kong, where about 800 U.S. firms are operating with a total investment of more than seven billion dollars, the commentary stresses.

The commentary goes on to say: Joint efforts are required to uphold and prolong the MFN treatment which the two countries have extended to each other. As we have learned, the Chinese authorities concerned, who have taken note of declining U.S. exports to China and the hope of the U.S. side to see an increase in its exports to China, are endeavoring to adopt measures to coordinate the development of bilateral economic relations. China has recently sent, and will continue to send, delegations or teams to the United States to buy goods there. Chinese trade officials have indicated that U.S. exports to China will grow so long as the United States is able to supply China's needs. On its part, China hopes the United States will loosen its restrictions on the technological transfer to China and increase the competitiveness of its own commodities.

It is popularly believed that the U.S. Government and congressmen will certainly continue to handle the MFN treatment issue by taking into account the overall interests of developing Sino-U.S. relations and the friendship between the two peoples and not let the normal bilateral economic and trade relations be affected by factors that have nothing to do with economy or trade, it says.

Obviously, there are great potentials and broad prospects for the further development of Sino-U.S. economic and trade ties. History has proved and will continue to prove that it is in accord with the interests of both countries to ensure a steady development of bilateral economic and trade relations by joint efforts, the commentary stresses.

It is believed that the two countries' economic and trade relations will surely develop and expand so long as both sides strictly observe the principles laid down in the three joint communiques and uphold mutual MFN treatment.

## WEN WEI PO Views U.S. Ties, MFN

### Part I

HK0505090691 Hong Kong WEN WEI PO in Chinese  
5 May 91 p 2

[Article by Chu Hsing-fu (2612 1630 4395), WEN WEI PO special correspondent in Washington: "Sino-U.S. Relations Are Facing New Tests (Part One)"]

[Text]

### Washington, 4 May (WEN WEI PO)—Sino-U.S. Relations Face Many Troubles

Recently, the gradually recovering Sino-U.S. relations have been facing some new unstable factors, and it seems to be hard to predict future developments. Sino-U.S. relations have really experienced too many troubles.

In the middle of last month, some U.S. Congressmen warmly entertained the Dalai Lama on Capitol Hill, awarding him with a rare "Liberty Prize" and having him address Congress in the Capitol, which stands as a symbol of liberty and independence. Under pressure from Congress, President Bush met in private with the Dalai, whom he had always declined to meet before. On 26 April, the U.S. International Trade Administration, complaining that China had infringed upon "intellectual property rights," declared that it would take retaliatory action against China in regard to scientific and technological cooperation. On 30 April, the U.S. Government announced a ban on sale of telecommunication satellite component parts to China. All the indications show that Sino-U.S. relations are going to face tests during the next two months, from now to the adjournment of the U.S. Congress by the end of June. This period of two months will determine the fate of Sino-U.S. relations—whether they will continue to develop or be downgraded.

### Some Abnormal Variables in the United States

Thanks to the joint efforts by both the Chinese and U.S. sides, Sino-U.S. relations had gotten over the most difficult period in the latter half of last year and had been developing smoothly since then. Great improvement has been made in China's human rights issue which the United States is much concerned about; and China abstained from voting in the United Nations to give a tacit consent to the U.S. military operation against the Iraqi invading troops in Kuwait. After that Foreign Minister Qian Qichen visited Washington, and U.S. Deputy Secretary of State Eagleburger and Assistant Secretary Solomon paid working visits to Beijing. Through these visits and contacts, the Chinese and U.S. sides have enhanced mutual understanding and reduced differences of opinion between them. However, some abnormal variables arose recently, likely to affect Sino-U.S. relations. As some U.S. newspapers put it, Sino-U.S. relations are "deteriorating." Now that the European Community, Australia, and Japan have all announced the rescission of economic sanctions against

China and resumed exchange of visits with China at the higher level, why have some unpleasant events still taken place to disrupt the improving and recovering Sino-U.S. relations? Is it that China has offended the United States again, or that President Bush does not want to be on good terms with China? The answers to both questions are no. The present trouble in Sino-U.S. relations is closely related to the brewing congressional debate to be held in June on extension of the most-favored-nation treatment for China.

### The Democratic Party Is Looking for Opportunities to Criticize Bush

Both the U.S. Senate and House of Representatives are now dominated by the Democratic party. As the opposition party, the Democratic party is always looking for opportunities to criticize and exert pressure on President Bush. Seeking support from Congress or out of other considerations, the president sometimes has to make some concessions to pacify Congress. Despite China's marvelous economic achievements, some U.S. Congressmen are not happy with the current situation in China. Being aware that they cannot possibly have direct influence on China, they believe that they can make use of the most-favored-nation status issue to exert pressure on President Bush and, through him, urge China to give the United States a satisfactory reply.

By 3 June President Bush will have to advise Congress of his decision whether to extend or withhold the most-favored-nation treatment for China. For the moment, both the White House and Congress are working out a solution to this issue. At about the same time last year, the U.S. House of Representatives passed a bill for deprival of China's most-favored-nation status. But the White House objected to this bill, and the Senate showed little interest in it. So the bill did not pass. Having drawn a lesson from their failure last year, some Democratic representatives did not insist on rescission of China's most-favored-nation status but proposed a conditional extension this year. They believe a change in tactics will make it more difficult for President Bush to turn down their proposal. By yesterday, dozens of representatives have signed the two bills, which mainly include the following demands: If the U.S. Government is to extend most-favored-nation treatment for China, it must have China making such commitments as: Respect for human rights, release of political prisoners, no more "persecution" of religions in Tibet, no more interference in the VOA Chinese broadcast programs, no more "disturbance" of Chinese students in the United States, settlement of the U.S. deficit arising from Sino-U.S. trade, no more export to the United States of goods produced by members of transform-through-labor camps, no more missile exports to Third World countries, prevention of nuclear proliferation, and so on. These two bills on conditional extension of the most-favored-nation status for China raised by U.S. Congressmen just remind people of the annoying cases they may have encountered when shopping in some places in China—when they decide to buy a piece of imported household electrical

appliance, the shop assistant may offer them a package deal and force them to buy a series of unmarketable commodities as well. Such a case can be very disturbing: should they buy or not to buy?

## Part II

*HK0605071991 Hong Kong WEN WEI PO in Chinese  
6 May 91 p 2*

[Article by Chu Hsing-fu (2612 1630 4395): "U.S. Sanctions Are Disadvantageous to Deficit Reduction—Sino-U.S. Relations Are Facing New Tests (Second and Last Part)"]

[Text] Washington, 5 May (WEN WEI PO)—To put it in a nutshell, revolving around the issue of China's most-favored-nation status, the two major problems of human rights and trade deficit were the topics last year and the question of arms sales has been added this year. Last year, human rights weighed heavier than the trade deficit to some Congressmen. This year, even a fair number of Americans have admitted that China's human rights performance has greatly improved compared to last year. Nevertheless, the trade deficit problem has continued to grow.

### How To Look at Trade Deficit

According to U.S. statistics, in 1989, China exported U.S.\$12 billion worth of goods to the United States and imported U.S.\$6.2 billion from the latter, causing a deficit of U.S.\$5.8 billion on the U.S. side; in 1990, the United States imported U.S.\$15.2 billion worth of goods from China, but its export to the latter was merely U.S.\$4.8 billion, a deficit of U.S.\$10.4 billion in its trade with China. However, according to China's statistics, the U.S. deficit in its China trade is not as bad as the United States has claimed. Why? This is because the United States counts all imported products produced or processed in China by Chinese-foreign joint ventures or entirely foreign-funded enterprises, including the products resold by other regions, as China's exports. This makes China feel somewhat wronged. Anyway, trade deficit is different from China's human rights issue, as the latter is China's internal affair and the former a practical problem that concerns immediate U.S. interests. The United States has good reason to be concerned about it.

### China Is Required To Open Its Market

Another cause of the U.S. deficit in its China trade is that the United States has not lifted its economic sanctions against China up until now and it refuses to provide the high-technology products that China wants to import from it. In order to reduce its deficit, the United States should lift its economic sanctions against China as early as possible. The U.S. side has asked China to open part of its market to let in more U.S. products and to stop subsidizing some export goods. This problem is quite

difficult to handle, but as long as both sides make good efforts, we believe there will be a practical solution eventually.

### China's Propaganda to the Rest of the World Is Too Weak

That some Congressmen called for discontinuation of religious "persecutions" and "harassment" of Chinese students in the United States shows that they lack understanding of China and listen to only one side. It also indicates that it is necessary for China to strengthen its propaganda to the rest of the world. Rumors and wrong information are most easily beaten by facts. It is learned that there is no such thing as "harassment" of Chinese students in the United States and no one has ever forced them to go back to China. After they visit their relatives in China, they can decide to go or to stay of their own free will. Should they worry that they will be unable to come out after going back to China, the Chinese consulates in the United States can issue re-exit visas to them before they leave. Another example is that last week, some U.S. newspapers reported that China is helping Algeria produce nuclear weapons. The Foreign Ministry spokesman gave a very convincing explanation to such irresponsible reports. We believe that the U.S. side will accept such an explanation. The spokesman said: China and Algeria have nuclear cooperation between them purely for peaceful purposes. In 1983, China agreed to offer a small-scale heavy water research reactor to Algeria. China required the latter to use it for peaceful purposes and subject it to the International Atomic Energy Agency's surveillance. The Algerian side agreed to these conditions. This spokesman reiterated: China's nuclear export policy is: no advocating, encouraging, or engaging in nuclear proliferation and refraining from helping other countries develop nuclear weapons. This explanation given, those hearsay reports naturally lost ground.

### It Is Closely Connected With Hong Kong People's Interests

The governments of both China and the United States attach much importance to friendly Sino-U.S. bilateral relations. Maintaining Sino-U.S. friendly relations not only conforms to the immediate interests of China and the United States as well as the two peoples, but is also in line with their long-term interests, and the interests of millions of Hong Kong people. For this purpose, U.S. Undersecretary of State Kimmitt went to Beijing on 5 May and will discuss human rights, trade, and weapons exports with relevant Chinese leaders. In order to reduce the U.S. deficit in bilateral trade, China will send a huge trade purchasing group to the United States before the end of this month to make large-scale purchases. We believe that, as long as both China and the United States act in the spirit of benefiting, understanding, and giving favorable conditions to each other on an equal footing, the existing conflicts between China and the United States will be reduced and the gap between them will

narrow. In this sense, Sino-U.S. relations have bright prospects [guang ming qian jing 0342 2494 0467 2529].

### **U.S. Chamber of Commerce Officially Registered**

#### **Celebration Ceremony Held**

*OW0305153391 Beijing XINHUA in English  
1434 GMT 3 May 91*

[Text] Beijing, May 3 (XINHUA)—The American Chamber of Commerce in the People's Republic of China in Beijing celebrated its official registration today with a reception held at the Great Wall Sheraton Hotel.

Participants in the ceremony included James Lilley, United States ambassador to China, Tong Zhiguang, vice-minister of the Ministry of Foreign Economic Relations and Trade, Doje Cering, vice-minister of civil affairs, Zheng Hongye, chairman of the China Council for Promotion of International Trade, and Dean T.C. Lee, president of the chamber.

On July 4, 1990, the American Chamber of Commerce in Beijing submitted an application for registration under the "Provisional Rules for the Administration of Foreign Chambers of Commerce" adopted by the State Council.

The receipt of the official license makes the American Chamber of Commerce in Beijing one of the first foreign chambers of commerce in China to receive formal recognition.

In his remarks at the reception, the chamber president thanked all those who contributed to the success of the registration effort.

There are currently over 150 U.S. corporate and individual members of the American Chamber of Commerce in Beijing.

Activities sponsored by the chamber include guest speakers who address topics of interest to the membership, and a monthly briefing session by the U.S. ambassador and the director of the U.S. commercial section. The chamber also drafts position papers, such as the MFN position paper released today, as well as on other issues concerning the chamber, which are then submitted to pertinent Chinese and U.S. governmental agencies. In addition, the chamber coordinates meetings between the U.S. business community in China and visiting U.S. congressional delegations.

### **Calls for Renewing MFN**

*HK0405012691 Beijing CHINA DAILY in English  
4 May 91 p 2*

[By staff reporter Yuan Zhou]

[Text] The American Chamber of Commerce in China yesterday celebrated its official registration with a call for the U.S. to renew the country's Most Favoured Nation [MFN] trade status without conditions.

The American Chamber of Commerce is the first such foreign economic organization to receive formal recognition from China.

In a position paper released yesterday, the chamber stated that it supported the continuation of MFN trade status as applied to goods imported from China to the US without attachment of "self-defeating" conditions.

"The American interests as a whole are best served by continued extension of MFN treatment to China."

"The outstanding problems between the United States and China are already being addressed," the paper said.

The chamber said that channels already existed for addressing such issues as intellectual property rights, trade imbalance and human rights, "which do not belong in the MFN debate."

It warned that withdrawal of MFN would severely damage US-China trade relations, and attaching conditions would be good only for domestic political purposes.

The chamber cautioned that America's support for China's economic reforms would be seriously threatened by withdrawal of MFN.

Zheng Hongye, chairman of the China Chamber of International Commerce, said the US agency's launch in China would be an important factor in the promotion of Sino-US economic, trade and technological co-operation.

"It is a symbol for the Chinese drive to deepen economic reform and open itself to the outside world," he said during his address at the chamber's opening ceremony in the U.S.-invested Great Wall Sheraton Hotel.

There are some obstacles in the present development of Sino-U.S. trade and economic co-operation, he admitted, hoping that the chamber would try to overcome difficulties to renew China's MFN status.

The American Chamber of Commerce presently has more than 150 individual and corporate members, "representing broad interests of the American business community in China," according to Chinese officials.

Activities sponsored by the chamber include discussion programmes; a monthly briefing session by the U.S. ambassador and Minister-Counsellor of the U.S. Commercial Section; drafting of Chamber position papers to submit to Chinese and U.S. government offices; and co-ordination of meetings between the U.S. business community in China and visiting U.S. Congressional delegations.

### **Attacks Conditions for Imports**

*OW0305162591 Beijing XINHUA in English  
1559 GMT 3 May 91*

[“American Chamber of Commerce Supports Renewal of MFN Trade Status for China”—XINHUA headline]

[Text] Beijing, May 3 (XINHUA)—The American Chamber of Commerce in China supports the continuation of China's Most Favored Nation trade status (MFN), which applies to goods imported to the United States from China, without the attachment of "self-defeating" conditions.

According to the position paper, which was released today by the American Chamber of Commerce at the celebration of its official registration in Beijing, the MFN status has been the backbone of U.S.-China relations over the past decade. Its withdrawal would seriously fracture those relations and would return them to a pre-1980 level.

Now that Japanese and European companies have again stepped up their activities in China, and are progressing with the strong support of their governments, U.S. action to withdraw the MFN status would place U.S. companies at a permanent disadvantage, the paper says.

The paper points out that attaching conditions to MFN treatment for China would be unprecedented. Conditionality has not been applied to any other country, and China should not be made an exception.

The net result of attaching conditions, therefore, would be tantamount to serving a one-year notice for the shut-down of American business operations in the country, and in overall trade relations with China, the paper notes.

The paper also points out that the withdrawal of the MFN status would disproportionately harm foreign invested enterprises in China, many of them with American investment.

In 1990, the paper says, while the industrial output of the state-owned sector in China grew by a paltry 2.9 percent, that of the foreign-invested enterprise sector grew by an impressive 56 percent.

Those American businesses, who with the support and encouragement of the U.S. Government and the public at large, have already made a pioneering commitment to aid in reform by investing in China, would be unfairly penalized if the MFN status is withdrawn.

The paper suggests the many problems cited as grounds for withdrawing the MFN status can be dealt with individually by establishing appropriate methods for the resolution of each problem, rather than by means of a massive, counterproductive attack that withdrawal of the MFN status represents.

As far as trade imbalance is concerned, the paper points out, withdrawing the MFN status in order to address trade problems would be similar to "killing the patient to cure the disease."

Instead, U.S. trade representatives should continue to actively negotiate with China concerning the removal of market barriers and allowing U.S. companies equal access to the Chinese market, the paper says.

"It remains our belief that American interests as a whole are best served by continued MFN treatment for China, and that the outstanding problems between the United States and China are presently being addressed through appropriate existing mechanisms," the paper concludes.

## Soviet Union

### **Yazov Attends Banquet Hosted by Qin Jiwei**

*OW0305113591 Beijing XINHUA in English  
1123 GMT 3 May 91*

[Text] Beijing, May 3 (XINHUA)—General Qin Jiwei, Chinese state councillor and minister of national defence, hosted a banquet in honor of Marshal Dmitriy T. Yazov, Soviet defence minister, and his party in the Great Hall of the People here this evening.

Xu Xin, deputy chief of general staff of the Chinese People's Liberation Army, was among those present at the banquet.

Prior to the banquet, Yazov laid a wreath at the Monument To the People's Heroes.

The Soviet defense minister and his party arrived here this morning on a good-will visit to China.

### **Meets Liu Huaqing, Yang Baibing**

*OW0405055791 Beijing XINHUA in English  
0541 GMT 4 May 91*

[Text] Beijing, May 4 (XINHUA)—General Liu Huaqing, vice-chairman of the Central Military Commission of the People's Republic of China, and General Yang Baibing, the commission's secretary-general, met with Dmitriy T. Yazov, visiting Soviet defence minister, and his party here at noon today.

Earlier today, in the company of General Qin Jiwei, state councillor and minister of national defence, Yazov visited the National Defence University of the Chinese People's Liberation Army. Yazov made a speech there.

## Northeast Asia

### **Li Peng Continues Official Visit to DPRK**

#### **Meets Yon Hyong-muk**

*OW0305175591 Beijing XINHUA Domestic Service  
in Chinese 1436 GMT 3 May 91*

[By reporter Zhang Jinfang (1728 6930 5364)]

[Text] Pyongyang, 3 May (XINHUA)—Chinese Premier Li Peng held talks with Yon Hyong-muk, premier of the State Administration Council of Korea, at the Mansudae Assembly Hall this afternoon.

During the talks, Premier Yon Hyon-muk extended a warm welcome from the Korean party and Government

to Premier Li Peng, and said his visit is an important event in Korean-Chinese relations.

He spoke highly of the successes scored by the Chinese people under CPC leadership in implementing the policy of reform and opening and in the work in various fields. He said: The second-step strategic objective for socialist construction put forward by the Fourth Session of the Seventh Chinese National People's Congress [NPC] surely will be realized. The Chinese people will succeed in building socialism with Chinese characteristics.

Briefing Premier Li Peng about the domestic situation in Korea, the Korean premier said: The Korean people, who have carried out construction under a complicated international situation, are proud of building socialism with their own characteristics.

After recalling his five previous visits to Korea between 1947 and 1985, Premier Li Peng praised the Korean people for their great progress and accomplishments under President Kim Il-song's leadership.

Briefing his Korean counterpart about the Seventh Plenary Session of the 13th CPC Central Committee held toward the end of last year and the Fourth Session of the Seventh NPC last March, the Chinese premier said: According to the Outline of the 10-Year Program and the Eighth Five-Year Plan, deliberated and approved by the Fourth Session of the Seventh NPC, China will follow the basic principles of taking economic construction as the central task, persisting in reform and opening, and pursuing steady development in the next decade.

The two sides exchanged views and information on the international situation and issues of mutual concern. They unanimously held: Despite a relaxation of tension in U.S.-Soviet relations and a diminished military confrontation, the world today is not tranquil. Hegemonism and power politics still exist; new regional conflicts may still erupt; North-South contradictions are becoming ever more acute; and the people of the Third World are faced with even more rigorous challenges.

The two sides agreed: Under the complicated and turbulent situation in the world today, it is very important for leaders of the two countries to exchange views and information. Such contacts are of great importance for strengthening the friendship and cooperation between the parties, governments, and peoples of the two countries. The two sides stressed that under the present situation, it is very necessary to strengthen the unity between the Chinese and Korean peoples.

Taking part in the talks from the Chinese side were Luo Gan, secretary general of the State Council; Chi Haotian, chief of the General Staff of the Chinese People's Liberation Army; Huang Yicheng, minister of energy resources; Li Lanqing, minister of foreign economic relations and trade; Xu Ruixin, deputy director of the General Office of the CPC Central Committee; Xu Dunxin, vice minister of foreign affairs; Zhu Shanqing, deputy director of the International Liaison Department

of the CPC Central Committee; and Zheng Yi, Chinese ambassador to Korea. From the Korean side were Kim Yong-nam, vice premier of the State Administration Council and concurrently foreign minister; Kim Tallyon, vice premier of the State Administration Council and concurrently chairman of the External Economic Committee; Yi Cha-pang, chairman of the State Science and Technology Commission; Kim Kwang-chin, vice minister of people's armed forces; Cha Pong-chu, vice minister of foreign affairs; Kim Yang-kon, deputy director of the International Department of the Korean Workers Party Central Committee; and Chu Chang-chun, Korean ambassador to China.

### Premiers Attend Banquet

OW0305143791 Beijing XINHUA in English  
1412 GMT 3 May 91

[Text] Pyongyang, May 3 (XINHUA)—Both Korean Premier Yon Hyong-muk and his visiting Chinese counterpart Li Peng stressed here this evening that it is very important to promote the existing friendship and cooperation between China and the Democratic People's Republic of Korea (DPRK).

They made the remarks at a banquet in honor of Li Peng who arrived here Friday morning for a four-day official goodwill visit to DPRK.

Addressing the banquet, Yon Hyong-muk said that it has become a tradition for the Chinese and Korean party and government leaders to frankly exchange views on matters of mutual interest.

The friendship and unity between the Korean and Chinese people "conform to the aspiration of the two peoples and are being consolidated daily," he said.

The Korean premier said that the "blood-forged friendly relations" nurtured in the long common struggle are a special relationship between the two countries.

He wished the Chinese people under the leadership of the Communist Party of China ever greater success in their struggle for a prosperous, democratic, civilized and modernized socialist country.

The premier also expressed positive support to the Chinese government and people for their efforts to reunify the motherland.

Chinese Premier Li Peng said, "China and Korea are close neighbors linked by mountains and rivers. It is a steadfast policy of the Chinese party and government to work constantly for the development and consolidation of the friendship and unity between the two parties, the two countries and the two peoples."

"The frequent exchange of visits between the leaders of the two parties and the two governments, just like family calls, has constantly strengthened and promoted the friendship and relations of cooperation between the two countries," he said.

Premier Li expressed the belief that his current visit to DPRK will further boost such relations and strengthen the unity between the two countries.

The Chinese premier spoke highly of Korean people's achievements in their socialist revolution and construction and wish them "new and ever greater successes."

He said that "the international situation is undergoing profound changes" and China will keep to its independent foreign policy of peace and make unremitting efforts for safeguarding world peace and promoting common development.

Premier Li also extended China's support to the efforts of the Korean people for the reunification of their fatherland.

### **Li Peng Speaks**

*HK0605140891 Beijing RENMIN RIBAO in Chinese  
4 May 91 p 6*

[Report: "Li Peng Speaks at Banquet Hosted by Yon Hyong-muk Calling on Further Promoting Sino-Korean Solidarity, Friendship, Cooperation"]

[Text] Pyongyang, 3 May (RENMIN RIBAO)—Chinese State Council Premier Li Peng spoke this evening at the grand banquet hosted to welcome him. The following are detailed excerpts:

I am very pleased to make an official goodwill visit to your beautiful country upon the invitation of Comrade Yon Hyong-muk, premier of the DPRK State Administration Council, at this beautiful season when all kinds of flowers are in full bloom and the mild spring wind is fragrant. As soon as we arrived in Pyongyang, we received a warm welcome from Comrade and Madame Yon Hyong-muk, comrades, and leading Korean government cadres and citizens of Pyongyang. This evening Comrade Yon Hyong-muk arranged a splendid banquet to welcome us and made an address full of feelings of deep intimacy. We were greatly moved by this. First of all, allow me, on behalf of my wife and the Chinese comrades who came with me, to extend my sincere thanks to the Workers' Party of Korea [WPK], the Korean Government, and Premier and Madame Yon Hyong-muk. At the same time, availing myself of this opportunity and representing the party, government, and people of China, I express lofty respect and extend warm greetings to the party, government, and people of Korea.

Korea is a heroic country standing imposingly in East Asia and the Korean people are a people with glorious revolutionary traditions. Under the wise leadership of the Great Leader President Kim Il-song and the WPK, the industrious and valiant Korean people have invariably adhered to the road of socialism and have maintained independence, sovereignty, and self-reliance, thereby registering big successes in socialist revolution

and construction. Today the Korean people are vigorously striving to attain the vast goals of the Third Seven-Year Plan for the development of the national economy. Korea is endeavoring to develop friendly relations with the peoples of many countries, pursuing a foreign policy of independence, friendship, and peace; and greatly contributing to defending peace and stability in Asia and the rest of the world. The Chinese people warmly congratulate the Korean people on their shining successes and sincerely wish them fresher and greater successes in the accomplishment of the cause of building socialism.

Comrades, the CPC, Chinese Government, and people have consistently paid attention to the Korean people's cause of independent and peaceful reunification and invariably support the strenuous efforts of the Korean party and government toward this end. We are pleased that affirmative changes have taken place in recent years in the situation on the Korean peninsula, and that the trend of detente is continuously developing. With the initiative by the north side of Korea last year, the two sides of the North and South of Korea held high-level talks for the first time in 45 years, and exchanges in the domains of sports and art effected pleasant progress. In his New Year address this year, President Kim Il-song proposed that Korean unification should be solved through confederation based on "one nation and one state, two systems, and two governments." The party and government of China commend highly the various reasonable calls and proposals forwarded by the Korean party and government for a peaceful national reunification and recognize that the question of Korean reunification should be solved through dialogue and negotiations between the two sides of the North and South of Korea without interference of outside forces. The party, government, and people of China will, in the future as in the past, continue to support the just cause of the fraternal Korean people for independent and peaceful reunification.

Profound change is taking place in the international situation. Although U.S-Soviet relations have eased and the degree of military confrontation weakened, the present-day world is not peaceful. Hegemonism and power politics still remain; new regional clashes may break out and the contradiction between North and South is becoming increasingly outstanding and large numbers of developing countries are facing a grimmer challenge. The 1990's is a key period for mankind's advance toward the 21st century. The people of all countries are paying increasing attention to establishing a new international political and economic order. We hold that the five principles of peaceful coexistence, which outline the most basic norms in international relations, should be the basis on which to build a new international order, which may help the effort to achieve lasting peace in the world and common development of all countries.

Comrades, the domestic situation of China is stable politically and socially and has developed economically.

The Fourth Session of the Seventh National People's Congress held some time ago, adopted the 10-Year Program for development of the national economy and society in our country and the Eighth Five-Year Plan. This shows that socialist modernization in our country will enter a new stage of development. In the 1990's, the Chinese people will unswervingly adhere to the four cardinal principles and reform and opening up policy, and strive strenuously for the second-stage strategic goals of realizing socialist modernization. China will pursue unswervingly an independent, sovereign, and peaceful diplomatic policy, develop relations of friendship and cooperation with other countries on the basis of the five principles of peaceful coexistence, and will make unceasing efforts to defend global peace and promote the common development of other countries.

China and Korea are intimate neighbors whose mountains and rivers are connected with each other. It is an unshakable policy of the party and government of China to constantly consolidate and develop friendship and unity between the two parties, two countries, and two peoples of China and Korea. The leaders of our two parties and countries visited each other's country like relatives, continually consolidating and developing the friendly and cooperative relations between Korea and China. The visit of Comrade Premier Yon Hyong-muk to our country last November was a full success. I am convinced that the unity, friendship, and cooperation between China and Korea will be further developed through my current visit to your country.

### Li Visits Sihanouk

OW0305150691 Beijing XINHUA in English  
1458 GMT 3 May 91

[Text] Pyongyang, May 3 (XINHUA)—Samdech Norodom Sihanouk and his wife Princess Monique met Chinese Premier Li Peng and his wife Zhu Lin here tonight.

The Chinese premier arrived here Friday for a four-day official goodwill visit to the Democratic People's Republic of Korea (DPRK).

Sihanouk said that it was his honor to meet Premier Li and his wife in Pyongyang and wished the visit to DPRK a success.

The Chinese premier thanked Sihanouk and his wife for coming to the guest house to meet him and Zhu Lin.

### Meets Kim Il-song

HK0605131291 Beijing RENMIN RIBAO in Chinese  
5 May 91 p 1

[Report by reporters Zhou Bizhong (0719 1801 1813) and Ke Yuelin (2688 2588 7207): "Kim Il-song Meets With Li Peng"]

[Text] Pyongyang 4 May (RENMIN RIBAO)—Kim Il-song, general secretary of the Korean Workers' Party,

concurrently president of the Democratic People's Republic of Korea (DPRK) cordially met with Li Peng, CPC Central Committee Political Bureau Standing Committee member, concurrently State Council premier at the meeting room in the Kumsusan Assembly Hall this morning.

Participating in the meeting were Premier Li Peng's entourage—Luo Gang, secretary-general of the State Council; Chi Haotian, People's Liberation Army chief of General Staff; Huang Yicheng, minister of energy resources; Xu Ruixin, Central Committee General Office deputy director; Vice Foreign Minister Xu Dunxin; Zhu Shangqing, deputy director of the Central Committee International Liaison Department; and Zheng Yi, Chinese Ambassador to Korea.

From the Korean side were Kim Chong-il, Korean Workers Party Central Committee Politburo member, concurrently secretary of the Central Committee Secretariat; O Chin-u, minister of People's Armed Forces; Yon Hyong-muk, Korean Workers Party Central Committee Politburo member, concurrently premier of the State Administration Council of Korea; Kim Yong-nam, Korean Workers Party Central Committee Politburo member, concurrently vice premier and minister of foreign affairs; Choe Kwang, Korean People's Army chief of General Staff; Kim Yun-hyok, Korean Workers Party Central Committee Secretariat Secretary; and Chu Chang-chun, Korean Ambassador to China.

The two leaders hugged each other and held each other's hands firmly like old friends in reunion.

President Kim Il-song and Premier Li Peng held very sincere, friendly, and harmonious talks.

Kim expressed his warm welcome to Li Peng's visit to DPRK and asked Li to convey his cordial greeting to Comrades Deng Xiaoping, Jiang Zemin, Yang Shangkun, and Deng Yingchao. President Kim said: the Chinese people have scored great accomplishments in reform, opening, and socialist construction under the CPC leadership, which we highly evaluate. Your accomplishments are ours, too.

Premier Li Peng expressed his thanks to President Kim for the meeting, and relayed the cordial regards of Comrades Deng Xiaoping, Jiang Zemin, and Yang Shangkun to President Kim. Premier Li Peng spoke highly of the tremendous accomplishments the DPRK has scored in socialist construction under President Kim Il-song's leadership. Premier Li Peng said: China and Korea are linked by common mountains and waters and closely related as lips and teeth. The Chinese party and government set great store on the great friendship between the Chinese and Korean people, which has taken shape in long-term revolutionary struggles. Premier Li expressed his satisfaction at the development of the friendly relations between the two countries. No matter how the international situation changes, we will make further contributions to such relations, Premier Li said.

President Kim Il-song briefed Premier Li Peng about relevant conditions on the Korean peninsula today. Premier Li Peng said that the Chinese people have always been following with interest the cause of the Korean people for the independent and peaceful reunification. The relaxation of tension on the peninsula continues to develop as a trend and no force in the world can change this. As always, the Chinese party, government, and people firmly support the Korean party, government, and people in their fight for their motherland's independence and peaceful reunification. He expressed support for President Kim's proposal that Korea's reunification should be realized in form of confederation on the basis of "one nation, one state, two systems, and two governments."

Following the talks, President Kim Il-song gave a luncheon in Li's honor.

### Meets Korean Vice Premiers

*OW0405115491 Beijing XINHUA in English  
1013 GMT 4 May 91*

[Text] Pyongyang, May 4 (XINHUA)—Four Korean Vice-Premiers called on Chinese Premier Li Peng here this afternoon.

They included Hong Song-nam, Kang Hui-won, Kim Pok-sin and Chang Chol.

The Chinese Premier is here on the second day of his four-day official goodwill visit to the Democratic People's Republic of Korea.

### Visits May Day Stadium

*SK0605023691 Pyongyang Korean Central  
Broadcasting Network in Korean 1100 GMT 4 May 91*

[Text] This afternoon, Li Peng, premier of the State Council of the PRC, and his entourage, who are on an official goodwill visit to our country, visited May Day Stadium, the Mansudae Art Studio, and the Mangyongdae Children's Palace.

At each place, slogans reading "We enthusiastically welcome Comrade Li Peng, premier of the State Council of the PRC," "Hurrah to the invincible military friendship and unity which is of blood relations between the peoples of Korea and China," and "Let us succeed and develop the Korea-China friendship generation after generation," were posted on the walls.

The guests were accompanied by Yon Hyong-muk, premier of the State Administration Council of the DPRK; Vice Premier Kim Tal-hyon; Yi Cha-pang, chairman of the State Science and Technology Committee; Kim Yang-kon, deputy director of a department of the Central Committee of the Workers Party of Korea; Kim Kwang-chin, vice minister of the Ministry of People's

Armed Forces; Cha Pong-chu, vice minister of the Foreign Ministry; and Chu Chang-chun, our country's ambassador extraordinary and plenipotentiary to the PRC.

The guests first visited the May Day Stadium. When the guests arrived at the entrance of the stadium, a large number of employees of the May Day Stadium waved miniature flags of the two countries along with bundles of flowers and enthusiastically welcomed the guests while giving shouts of joy, "Friendship between Korea and China!"

A female employee gave a bouquet to Premier Li Peng. The guests listened to how the large-scale stadium was built, which is situated on the foot of the scenic Taedong River and which seats 150,000 people, and looked around the inside of the stadium.

Premier Li Peng wrote in the guest book about the "crystal of wisdom and creativity."

Next, the guests visited the Mansudae Art Studio. Amid the sound of congratulatory music when the guests arrived at the Mansudae Art Studio, a large number of employees waved miniature flags of the two countries along with bundles of flowers and enthusiastically welcomed the guests.

A female employee gave a bouquet to Premier Li Peng. After the guests were briefed on the history of the Mansudae Art Studio which was transformed into a comprehensive creative base under the wise leadership of our party, the guests looked over the various work room and art gallery with keen interest.

Premier Li Peng wrote in the guest book that he hopes that Korea's art work develops continuously, and then, souvenirs were exchanged.

Next, the guests visited the Mangyongdae Children's Palace. As soon as the guests arrived at the palace, thousands of youths and students enthusiastically welcomed the guests with cheers and by waving miniature flags of the two countries along with bunches of flowers.

The guests were welcomed by Ham Un-kon, vice chairman of the Central Committee of the League of Socialist Working Youth of Korea, and responsible functionaries of the palace.

When Premier Li Peng entered the palace the youths and students carried out a welcoming ceremony, presented him with a bouquet of flowers, and tied a juvenile corps neckerchief around his neck.

The guests listened to the explanation of how the palace was magnificently maintained as an extracurricular activity base amid the love of our party, so that the youths and students combined with knowledge, virtue, and good health, can be fostered to be reliable successors of the chuche revolutionary cause. Then the guests looked over the swimming pool and other circle rooms.

The guests also visited its theater and saw a performance of the members of the art circle. Premier Li Peng received creative works made by the circle members.

Premier Li Peng wrote in the guest book saying that Korea's youths are the hope of the future and presented a souvenir.

### Visits Kangwon Province

OW0505182791 Beijing XINHUA Domestic Service  
in Chinese 1453 GMT 5 May 91

[“Premier Li Peng Visits Kangwon Province (By reporter Li Nengqing (7812 5174 3237))”—XINHUA headline]

[Text] Kangwon, Korea, 5 May (XINHUA)—Li Peng, premier of the State Council of China, his wife Zhu Lin, and other members of his entourage, who are on an official goodwill visit to Korea, were accorded a warm welcome as they arrived in Kangwon Province on the eastern coast of Korea from Pyongyang today in the company of Korean Vice Premier Kim Tal-hyon and his wife.

This morning, when the special train in which Li Peng was riding arrived in Wonsan City, capital of Kangwon Province, it was welcomed by 15,000 people and local party, government, and military leaders, including (Lin Hon-kiu), responsible secretary of the Kangwon Provincial Party Committee, and (Hon Ying-nam), chairman of the Kangwon Provincial Committee for Administrative and Economic Guidance. The welcoming crowds at the station and in the square outside the station, carrying the national flags of China and Korea, shouted the slogans “friendship,” “unity,” and “welcome” continuously.

When Premier Li Peng and his party arrived in (Koshon) County to pay a visit to the Huang Jiguang Middle School, the school's teachers, students, and local cadres and people lined the street to welcome the guests. After inquiring in detail about the teaching conditions in the school, Premier Li Peng encouraged the teachers and students to continue making contributions to consolidating and developing Sino-Korean friendship.

After visiting the school, Premier Li Peng made a stop at the (Konshan) Cooperative Farm in (Anpen) County. At the house of 70-year-old (Choi Son-ki), Premier Li Peng and the old lady, both sitting on her bed, struck up a conversation on trivial matters. The old lady told Premier Li Peng that she had a son and a grandson and that her son and his wife always treated her with filial piety. When Premier Li Peng was about to leave, he wished the old lady good health.

Today, Premier Li Peng also toured Sea Kumgang and Samil lagoon, famous scenic spots in Korea. At noon, Responsible Secretary (Lin Hon-kiu) hosted a luncheon at (San Ju-fu) in honor of the Chinese guests. In his toast, (Lin Hon-kiu) spoke highly of China's tremendous

achievements in socialist construction. He also said that he would never forget the exploits of the Chinese People's Volunteers.

### Interview Highlights Friendship

OW0505182891 Beijing XINHUA in English  
1748 GMT 5 May 91

[“Feature: In Memory of Blood-Cemented Friendship (by Ma Shengrong)”—XINHUA headline]

[Text] Wonsan, DPR Korea, May 5 (XINHUA)—A Korean school girl told a XINHUA correspondent here today that she is happy to have an opportunity to study in the middle school re-named after the late Chinese soldier Huang Jiguang in memory of the Chinese Volunteers.

“He was a Chinese hero who helped us fight in defence of Korea. We remember him in our hearts,” Chang Un-chu said while waiting for Chinese Premier Li Peng’s visit to her school.

Chang said, “We have an exhibition room in the school, where photos and paintings of Huang Jiguang and other Chinese Volunteers are kept.”

When Li Peng arrived here Sunday afternoon, all students lined up the road leading to the school and cheered, “Welcome Premier Li. Long live friendship between Korea and China.”

Two girls presented bouquets to Premier Li and his wife Zhu Lin, and then showed them to the exhibition room.

“This is a very good way to make our younger generations aware of our deep-rooted friendship,” Premier Li told the school’s headmaster when he entered the room.

“You are right. This is what we intend to do here. The young people should know the history of friendship between the Korean and Chinese peoples,” the headmaster replied.

The school, situated some 260 kilometers southeast of Pyongyang, is well-known in the area. It changed its name to “Huang Jiguang” last October to commemorate the 40th anniversary of the Chinese people’s volunteers’ participation in the Korean War.

Huang Jiguang was killed in central Korea 40 years ago in a fierce battle when he threw himself on the muzzle of the enemy’s machine-gun.

Chi Haotian, chief of the General Staff of the Chinese People’s Liberation Army, who is accompanying Premier Li on his visit here, said, “During the Korean war against the U.S. aggressors, the Chinese volunteers were fighting in the Wonsan area as well.”

“The Korean people and army rendered full support to the Chinese volunteers and fought shoulder to shoulder with them.”

General Chi himself was one of the officers in Korea at that time. "I was deeply moved by the profound friendship of the Korean people for the Chinese volunteers," he said.

On Premier Li's departure, the headmaster said, "The Korean and Chinese people are true friends. We will do our best to keep this friendship."

### Li Visits Reservoir Site

*OW0605082291 Beijing XINHUA in English  
0703 GMT 6 May 91*

[Text] Pyongyang, May 6 (XINHUA)—Chinese Premier Li Peng praised the Korean people for their creativeness in socialist construction when he visited the West Sea Barrage this morning.

Premier Li praised the barrage, or man-made reservoir, used for irrigation and navigation purposes, as "a really great project" while talking with his Korean counterpart Yon Hyong-muk who accompanied him to the site.

When the Chinese premier asked how much water it could release during the rainy season, the head of the project responded, "about 42,000 cubic meters. This barrage, with an eight-kilometer long dam, has three locks and 36 sluices and auxiliary sluices, so it can hold water during the dry season and release it during the rainy season."

Li was then briefed on the construction of the barrage, located some 60 kilometers southwest of Pyongyang.

Construction was initiated in May 1981 and completed in June five years later, with the total investment equal to about four billion U.S. dollars.

Completion of the barrage has freed fields in the lower reaches of the Taedong River from the damage caused by salt water from the Yellow Sea and provided industrial and drinking water supplies to the surrounding region.

Standing in the gentle rain atop a nearby hill, Premier Li remarked, "The barrage is the fruit of the hard work of the Korean people and gives great benefits to the Korean people."

### Farewell Ceremony Held

*SK0605094991 Pyongyang Korean Central  
Broadcasting Network in Korean 0800 GMT 6 May 91*

[Text] Premier of the PRC State Council Li Peng, who came to our country on an official goodwill visit at the invitation of premier of the DPRK State Administration Council Yon Hyong-muk, has left Pyongyang this afternoon by airplane after successfully concluding his visit.

Premier Li Peng's visit to our country this time has served as an important opportunity in further strengthening the ties of fraternal friendship and militant amity between the Korean and Chinese peoples. Also, it

showed great support for and encouragement to our people in their socialist construction and their struggle for national reunification.

Waiting at Pyongyang airport to see off the Chinese people's envoy of friendship were thousands of working people from the city carrying flags of the two countries, bouquets, rubber balloons, and decorative items of various descriptions for sending-off.

Seen amid the crowds were slogans reading "Long live the great leader Comrade Kim Il-song!", "Long live the glorious WPK!", "Long live the great Communist Party of China!", and "Long live the PRC!". Also seen amid the crowds were slogans and pictures reading "We warmly see off the premier of the PRC State Council Comrade Li Peng!", and "Long live the indomitable militant friendship and solidarity forged with blood between the Korean and Chinese peoples!"

Flying atop the flag staff were national flags of our country and the PRC. Premier Li Peng and his company came to the airport, receiving a warm farewell from tens of thousands of crowds who lined the streets that stretch from Kumsong Street to Yonmottong.

Seeing off the guests at the airport were Yon Hyong-muk, premier of the DPRK State Administration Council; Kim Yong-nam, vice premier and minister of foreign affairs; Choe Kwang, chief of the Korean People's Army General Staff; vices premiers Hong Song-nam, Kim Pok-sin, Kang Hui-won, Kim Tal-hyon, and Chang Chol; responsible functionaries from the State Administration Council's committees and departments and central organizations; and Chu Chang-chun, our country's ambassador extraordinary and plenipotentiary to the PRC.

Also seeing off the guests at the airport were Zheng Yi, PRC ambassador extraordinary and plenipotentiary to the DPRK; staff of the PRC embassy in our country; members of the Chinese People's Volunteers of the Korean and Chinese side to the Military Armistice Commission; and Chinese guests staying in our country and students studying in our country.

Also at the airport were diplomatic representatives of foreign countries in our country.

A ceremony was held at the airport to bid farewell to Premier of the PRC State Council Li Peng.

[Begin commander of the honor guard shouting] Comrade Premier of the PRC State Council, the honor guards of the three services of the KPA stand at attention for [words indistinct]. Commander of the honor guards [word indistinct]. [end recording] [playing of national anthems of Korea and China]

Premier Li Peng viewed the honor guards of the three services of the KPA along with Premier Yon Hyong-muk.

Members of the Juvenile Corps presented Premier Li Peng fragrant bouquets. Working women, staff of the

PRC embassy in our country, and Chinese students studying in our country also presented bouquets to him.

Premier Li Peng exchanged farewell greetings with cadres who came out to see him off.

Out of their warm friendliness and revolutionary sense of obligation toward the Chinese people, the crowds warmly saw the guests off.

The airplane carrying the Chinese people's envoy of friendship left Pyongyang airport at 1530 in the afternoon.

#### Terms Visit 'Complete Success'

OW0605121191 Beijing XINHUA in English  
1110 GMT 6 May 91

[Text] Pyongyang, May 6 (XINHUA)—Visiting Chinese Premier Li Peng today said his visit to the Democratic People's Republic of Korea (DPRK) was a "complete success."

The premier made the remark when meeting with his Korean counterpart Yon Hyong-muk and his wife who called on him and his wife and said good-bye to them at the Paekhwawon Guest House this afternoon.

During Li's four-day official and goodwill visit, the leaders of the two countries discussed issues of mutual concern and stressed the importance of promoting the existing Sino-Korean friendship and cooperation.

Li said although his visit in Korea was short, he was able to see the achievements made by the Korean people over the past few decades in socialist construction. "We are very happy with that," he added.

Yon Hyong-muk said Premier Li's visit "has made a great contribution to strengthening friendship and cooperation between the two parties, two nations and the two peoples of DPRK and China." It was also a great encouragement for the socialist construction and the effort for reunification of Korea, Yon stressed.

In their conversation, the two premiers made it clear that the two countries will continue their exchanges and do their utmost to consolidate and develop bilateral friendship.

Present on the occasion are [as received] DPRK Vice-Premier and Foreign Minister Kim Yong-nam, Chief of the General Staff of the Korean People's Army Choe Kwang, Vice-Premier Kim Tal-hyon as well as members of Li Peng's entourage Luo Gan, Chi Haotian, Huang Yicheng and Li Lanqing.

#### Reactions, Comments Follow DPRK Visit

##### 'Talk' on UN Membership

HK0405065191 Hong Kong TA KUNG PAO in Chinese  
4 May 91 p 2

[“Political Talk” column by Shi Chun-yu (2457 0689 3768); “Chinese Premier Visits Pyongyang”]

[Text]

##### On United Nations Seat

The Chinese Premier Li Peng and his entourage arrived in Pyongyang yesterday (3 May) and were ceremoniously and warmly received by the Korean party, government, and military as well as people of all circles. Accompanying Li Peng were Chi Haotian, chief of General Staff of the People's Liberation Army; Huang Yicheng, minister of energy resources; and Li Langqing, minister of foreign economic relations and trade. We can see that during the current trip, aside from talks on bilateral relations, the two sides will discuss the present and future situation on the Korea peninsula and strengthening bilateral economic relations and trade.

Presently, Seoul is launching a large-scale, multilateral diplomatic offensive, in the hope that all countries will support South Korea in acquiring unitary membership to the United Nations at the UN General Assembly this fall. Facing this situation, the Pyongyang authorities are conducting corresponding diplomatic activities in the hope of countering Seoul's efforts in this arena. China is a major subject of Pyongyang's diplomatic activities in the wake of the USSR and East European countries establishing diplomatic relations with Seoul.

According to a 2 May ASAHI SHIMBUN dispatch from Beijing, during his meeting with Japanese Socialist Party Vice Chairman Makoto Tanabe on 2 May, Zhu Liang, head of the CPC International Liaison Department stated: China is not for South Korea's unitary UN membership. Speaking to reporters before the talks, he also stated: "China hopes for a relaxation of the tense situation on the Korean peninsula, success of the North-South talks, and progress in Korean reunification, but is not for (South Korean) unitary UN membership."

##### Disapproval of South Korea's Unitary UN Membership

That China hopes for an early realization of North-South dialogues and reunification has been China's persistent position, and repeatedly expressed by the Chinese authorities. Now that Zhu Liang, head of the CPC International Liaison Department, has expressed China's disapproval of South Korea's unitary UN membership, the world is pondering whether China will exercise its veto power as a permanent member of the Security Council. This remains a mystery to date.

South Korea has sent Minister of Foreign Affairs Yi Sang-ok to the United States for a visit, and gained full U.S. support in its principle of unitary application for

UN membership, namely, given that North and South Korea fail to be simultaneously admitted to the United Nations, South Korea will unitarily apply for its membership.

Regarding South Korea, on top of the agenda in diplomacy is its UN membership. South Korea sent its former Prime Minister No Sin-yong to visit four countries including India and Austria on 1 May; toward late May, nine personages including Minister of Foreign Affairs Yi Sang-ok and the former minister of foreign affairs as "the President's envoys" to visit 36 Asian, African and East European countries, with an aim to win over their support for South Korea's unitary UN membership.

#### **North, South Korea Should Negotiate Measure**

The prime ministers of North and South Korea held three meetings to discuss the UN issue last year; because of Pyongyang's strong opposition, South Korea did not send its application to the UN General Assembly last year.

The situation is different this year, for the USSR and many East European countries have established diplomatic relations with South Korea, while the USSR has expressed its intention to support South Korea's unitary UN membership. Thus, South Korea believes the conditions are ripe, with 148 countries (regions) recognizing South Korea, far exceeding the number of countries recognizing North Korea; in addition, some 90 countries have simultaneously recognized North and South Korea (based on Seoul's official data).

Presently, many countries believe: It is unrealistic and impossible for North and South Korea to join the United Nations in the form of "a seat for each Korea," on which North Korea has insisted.

Relevant UN personages believe the UN Security Council should simultaneously invite North and South Korea to discuss an appropriate approach; quite a few people are worrying about North Korea, which will become increasingly isolated, a tendency that is unfavorable to the situation on the Korea peninsula.

For the past few days, Seoul's students have participated in demonstrations against the government with opposition's support, and some students even set themselves ablaze in protest. This shows the instability in South Korea's domestic situation. Should the situation worsen, it would spoil South Korea's world reputation and affect its efforts to obtain UN membership.

#### **Commentary on Friendship**

*SK0605042191 Beijing Radio Beijing in Korean  
1100 GMT 2 May 91*

[Commentary by station commentator (Wang Myo-dang): "Let Us Consolidate and Develop the Traditional Friendship Between the Two Countries of China and the DPRK"]

[Text] Li Peng, premier of the PRC State Council, at the invitation of Yon Hyong-muk, premier of the DPRK Administration Council, will make an official goodwill visit to the DPRK from 3 to 6 May.

In recent years, the mutual visits by the leaders of the two countries of China and the DPRK, and, in particular, General Secretary Jiang Zemin's visit to the DPRK last year, have again developed the friendship anew between the two countries.

The Korean people are diligent and wise. For the past 43 years, the Korean people, under the leadership of the Workers Party of Korea [WPK] and their great leader President Kim Il-song have carried forward the glorious revolutionary tradition. By bringing into full play the revolutionary spirit of self-reliance and fortitude, they recovered from the war calamities within a short time and have continuously effected brilliant successes in the socialist revolution and construction. As a result, they have turned the DPRK, which had been poor and backward, into the socialist country in which independence in politics, self-sufficiency in economy, and self-defense in national defense have been realized.

Today, the Korean people are rising once again to realize the third Seven-Year plan. Production in Korean industry is increasing. In the fields of coal mining, electricity, transportation, machine building, metallurgy, building materials, and forestry industries, January's production assignments were successfully completed.

In the meantime, the WPK and the government, in smoothly settling the issue of supplying food for the people, have put great efforts into developing agricultural production.

In the international arena, the DPRK has consistently carried out an independent and sovereign foreign policy, thus achieving an encouraging success.

This year, Yon Hyong-muk, premier of the DPRK Administration Council, visited Thailand, Indonesia, and Malaysia; Kim Yong-nam, vice premier of the DPRK Administration Council, visited Tanzania; and the DPRK Government delegation led by Yi Chong-ok, vice president, is making a six-day official goodwill visit to Vietnam beginning on 27 April.

Because Korea has artificially been divided for a half century, the compatriots in North and South Korea have had the sufferings of living in a country divided into two.

Reunifying the divided fatherland is the most urgent and unanimous desire of approximately 60 million Korean people. The WPK and government have long made consistent, sincere efforts to realize the independent and peaceful reunification of the fatherland.

The proposal for founding the Democratic Confederal Republic of Koryo [DPRK], put forward by President Kim Il-song in 1980, has elucidated a correct direction and way for the peaceful reunification of Korea.

In recent years, on several occasions, the North side of Korea has announced important principles and policies related to the North-South dialogue and reunification. It also has made various kinds of proposals.

Last year, premiers of both sides of Korea held three rounds of high-level talks in Seoul and in Pyongyang, and discussed the issues of removing the political and military confrontation and of realizing exchanges and cooperation in various fields.

These facts will play a positive role in narrowing the gaps between both sides, promoting understanding, and accelerating the reunification of Korea.

The two countries, China and the DPRK, are socialist countries. The Chinese-Korean friendship has a firm historical foundation developed by leaders of both countries. Because the friendship has overcome various ordeals of the times, it has taken deep root in the bosom of the people of the two countries and has a strong vitality.

The Chinese party, government, and people deem such a friendship very valuable. China resolutely supports the WPK and the people, who have made consistent efforts and struggles to ease tension on the Korean peninsula and to realize the independent and peaceful reunification of the fatherland. In addition, China supports the DPRK's many reasonable claims and proposals for the founding the democratic confederal republic of Korean [DCRK], which have been put forward for the past few years.

In recent years, the traditional friendship between the two countries of China and Korea has been constantly developed in various fields.

At the end of last year, Yon Hyong-muk, premier of the DPRK Administration Council, visited China. During his visit, the governments of the two countries signed a treaty on the Chinese Government's economic support to the Korean Government. Besides, both sides specifically negotiated over the issue of further strengthening cooperation in economic fields.

On 9 March, Yang Shangkun, president of our country, at a meeting with a Korean People's Army ensemble troupe, said that, come what may at any time and at any place in the world, exchanges of visits and friendship between China and Korea will be constantly strengthened and deepened and never inverted.

Li Peng, premier of Chinese, will soon make a visit to the DPRK. With Li Peng's visit as an occasion, the traditional friendly relations between the people of the two countries—China and Korea—will be further strengthened and developed.

### **Japan's Nakasone, Takeshita Continue Visit**

#### **Attend Youth Exchange Center**

*OW0305092391 Tokyo KYODO in English 0834 GMT  
3 May 91*

[Text] Beijing, May 3 (KYODO)—Former Japanese Prime Ministers Yasuhiro Nakasone and Noboru Takeshita, welcoming a "new era of Japan-China relations," assisted Friday with opening ceremonies for the Japan-China Youth Exchange Center in Beijing.

Nakasone said in his dedication address, "Japan-China relations continue to meet with rapid progress due to the joint efforts of both Japan and China."

"It is to be hoped Japan-China relations and exchanges unfold not from a perspective limited to Japan and China alone, but with a field of vision including the whole world," Nakasone urged.

Nakasone has been a force behind the center since 1984 when he agreed with the late Hu Yaobang, then secretary general of the Chinese Communist Party, on its construction.

Of the center, Nakasone said Friday, "I am confident it will be the focus of strengthened Japan-China friendly cooperation that will extend into the 21st century, handed down from our children to our grandchildren."

Wang Zhen, Chinese vice president and honorary president of the China-Japan Friendship Association, and Wu Xueqian, Communist Party Politburo member and vice-premier, participated in the opening ceremony, along with Nakasone and Takeshita, representing the Japanese Government.

Takeshita said a reception following the opening, "The 21st century surely belongs to the youth. Even among us the ideals of our youth continue to burn."

"I will make my best efforts to devote the youth inside of me for the task of exchanges for the youth of the 21st century," said Takeshita.

Construction of the center, with a 1,700-seat theater and facilities to house 700 exchange students, was assisted by a 10.1 billion yen contribution in untied aid from Japan.

### **Nakasone Visits Liaoning**

*OW0605034591 Beijing Radio Beijing in Japanese  
0930 GMT 5 May 91*

[Text] A Radio Beijing reporter in Liaoning reported that Yu Xiling, secretary general of the CPC 7th Liaoning Provincial Committee, met with a Japanese delegation led by former Japanese Prime Minister Nakasone at (Yugi) guesthouse in Shenyang last night.

At the meeting, Secretary General Yu Xiling explained to Mr. Nakasone how construction work and investments are promoted in Liaoning, and how the Liaodong peninsula is opened to foreign businesses. He said that,

facing each other across the sea, Liaoning and Japan have a long history of friendly exchanges, and that he wants to further cultivate the friendship to strengthen bilateral cooperation.

In reply, former Prime Minister Nakasone highly rated the construction achievements of Liaoning Province and Shenyang City, and noted that Liaoning has abundant natural resources as well as great potential for economic growth. He added that he would like to further contribute to the economic growth of Liaoning.

After the meeting, Secretary General Yu Xiling and former Prime Minister Nakasone had dinner together.

### Visits Dalian, Shenyang

SK0605075091 *Shenyang Liaoning People's Radio Network in Mandarin 0930 GMT 4 May 91*

[Text] Yasuhiro Nakasone, former prime minister of Japan, and his party, including the former minister of foreign affairs, the former minister of construction, and members of the House of Representatives, concluded their visit in Dalian in the company of Xiao Xiangqian, vice president of China-Japan Friendship Association, and others, and left for Shenyang by car along the Shenyang-Dalian Expressway this afternoon.

Yasuhiro Nakasone and his party arrived in Dalian by plane yesterday evening. During their stay in Dalian, they visited the Dalian Port and the Dalian Television Tower, and toured the city. In the Dalian Economic and Technological Development Zone, Mr. Yasuhiro Nakasone heard a report on the development zone given by a leader of the zone, visited the three enterprises invested exclusively by Japan—the (Jianan) Office Supplies Limited Company, [words indistinct]. During his visit, Yasuhiro Nakasone gave a speech. He said: During the present visit to China, I have deeply felt that China has turned its efforts to maintaining stable development. As a coastal city, Dalian has a boundless future. We will make utmost efforts to assist you, and make more investments in Dalian.

### Takeshita Meets Qian Qichen

OW0305125391 *Tokyo KYODO in English 1218 GMT 3 May 91*

[Text] Beijing, May 3 (KYODO)—Former Japanese Prime Minister Noboru Takeshita on Friday requested China's help to strike the "enemy state" clause from the United Nations charter.

Chinese Foreign Minister Qian Qichen, meeting with Takeshita, said he understands Japan's feelings about the issue, but added revising the U.N. charter was a "complex issue" and therefore, "difficult."

Qian, reflecting a positive stance among high-ranking Chinese officials, told Takeshita "an appropriate method" must be selected and considered to have the clause removed from the charter.

The Chinese foreign minister noted the current state of friendly relations between Tokyo and Beijing and said he thought the "enemy state" clause—on the prevention of "renewal of aggressive policy" by Japan, Germany and Italy, the three defeated World War II powers—is out of date.

Takeshita said he was encouraged by Qian's understanding and added Japanese Foreign Ministry specialists would be made to find an "efficient method."

Sources in the Takeshita entourage said the Japanese campaign to have the "enemy state" clause removed from the U.N. charter has become something of a diplomatic "crusade."

Prime Minister Toshiki Kaifu last month gained an agreement from Soviet President Mikhail Gorbachev that the clause had lost its meaning for Tokyo and Moscow.

Japanese Foreign Minister Taro Nakayama also voiced the request to China leaders during a visit to Beijing in March.

Earlier Friday, Takeshita assisted with another former Japanese prime minister, Yasuhiro Nakasone, in opening ceremonies for the new Japan-China Youth Exchange Center.

Arriving Thursday, Takeshita met with Chinese Premier Li Peng, who requested Japan's help in becoming a member of the General Agreement on Tariffs and Trade (GATT).

### Meets Wang Zhen, Wu Xueqian

OW0305164691 *Beijing XINHUA in English 1540 GMT 3 May 91*

[Text] Beijing, May 3 (XINHUA)—Chinese Vice-President Wang Zhen met this afternoon with visiting former Japanese Prime Minister Noboru Takeshita following the opening ceremony for the Sino-Japan Youth Exchange Center.

Wang, who is also honorary president of the China-Japan Friendship Association, extended a warm welcome to Takeshita and noted that he has actively contributed to the development of friendly and co-operative relations between China and Japan.

During their meeting, Wang recalled his first visit to Japan in 1957, and said he was very happy with the development of Sino-Japanese relations during the past 34 years.

Wang expressed his hope that the younger generations of the two countries will carry on the cause of China-Japan friendship.

"The founding of the Sino-Japan Youth Exchange Center provides a new bridge for the friendly exchanges of the two countries' young people," Wang said.

Takeshita extended his congratulations on the founding of the exchange center, and said that he hopes the young people of the two countries will jointly contribute to the cause of Sino-Japan friendship.

Chinese Vice-Premier Wu Xueqian was also present at the meeting.

### Talks With Jiang Zemin

OW0405062891 Tokyo KYODO in English 0612 GMT  
4 May 91

[Text] Beijing, May 4 KYODO—Chinese Communist Party leader Jiang Zemin Saturday morning expressed strong expectations that former Prime Minister Noboru Takeshita will serve as an intermediary as China tries to improve ties with the United States, Japanese officials said.

Jiang was quoted as saying, "I am convinced that Mr. Takeshita will play a positive role for a betterment of China-U.S. relations," the officials said.

Jiang also said that there are no conflicts of fundamental interests between China and the U.S., they said.

Takeshita, visiting Beijing this week, met for an hour with Jiang at his residence.

He asked the Chinese party leader to reconsider its position on U.S. President George Bush's requirements that Beijing improve its human rights record, and reduce its arms sales business and trade surpluses, the officials said.

Takeshita said, "as President Bush has the greatest understanding on China in the United States, I keenly realize the necessity of our cooperation (with him) so that he is able to carry out his policy on China and Japan," they said.

The officials said Jiang discussed the U.S. renewal of China's most-favored-nation (MFN) trading status in connection with its trade deficits with Beijing.

Jiang said various goods only improved in China are exported to the U.S. as "made in China," they said.

He said China gains only 10 percent of its total export profits from trade in improved semi-processed articles, the officials said.

Jiang also said that China's trade is the fruit of open-door and economic reform policies, they said.

Takeshita promised to relay what he heard from Jiang to U.S. Vice President Dan Quayle, who is visiting Japan May 19-21, the officials said.

Bush has hinted the U.S. will renew MFN status for China despite its human rights record.

Sixty-one members of the U.S. House of Representatives, however, announced Thursday they are introducing legislation to revoke China's MFN status if it does not significantly improve its human rights record.

Three bills calling for tougher action against China have been introduced into the 102nd Congress so far.

### Mutual Concerns Discussed

OW0405105591 Beijing XINHUA in English  
1025 GMT 4 May 91

[Text] Beijing, May 4 (XINHUA)—Chinese Communist Party leader Jiang Zemin and visiting former Japanese Prime Minister Noboru Takeshita had "an in-depth discussion" on Sino-Japanese ties and other issues here today.

At an hour-long meeting, Jiang noted that Sino-Japanese relations have basically come back to the right track, while new progress has been achieved in certain aspects, thanks to the common efforts of the two countries and of people of various walks of life in the two countries.

He stressed that the present relationship, the fruit of the hard work of the leaders of the older generation in the two countries, must be carried on from generation to generation.

Describing China and Japan as close neighbors which have similar cultures and economies which supplement each other, Jiang said he saw broad prospects for Sino-Japanese relations of friendship and co-operation so long as the two sides make joint efforts.

He said he believed that the Sino-Japanese youth exchange center, which opened here yesterday, will serve as a starting point for the further growth of Sino-Japanese friendship.

Also describing the center as a base for promoting Japan-China friendship, Takeshita stressed the fact that both Japan and China use Chinese characters for writing.

He called for further expansion of Japan-China ties so that the friendship between them will last for ever.

Takeshita is scheduled to leave here for home later today.

### Japanese Social Democratic Party Group Visits

#### Talks With Wang Zhen

OW0305154591 Beijing XINHUA in English  
1535 GMT 3 May 91

[Text] Beijing, May 3 (XINHUA)—Chinese Vice-President Wang Zhen said here today that in light of the current turbulent international situation China and Japan should jointly work to ensure peace in Asia and the world.

Wang made his remarks this afternoon, during a meeting with a delegation from the Social Democratic Party of Japan, following the opening ceremony of the Sino-Japan Youth Exchange Center.

The world should not be dominated by only a few large countries, Wang said, adding that different countries should co-ordinate and solve existing problems based on the five principles of peaceful coexistence.

The Japanese delegation, headed by Makoto Tanabe, vice-chairman of the Social Democratic Party, arrived in Beijing on May 2 at the invitation of the International Liaison Department of the Central Committee of the Communist Party of China (CPC).

Wang said that the Communist Party of China maintains friendly relations with many political parties in many foreign countries.

Concerning party-to-party relations, Wang said, the CPC pursues the principles of independence, mutual respect, complete equality and non-interference in the internal affairs of other countries, and is willing to conduct friendly exchanges and co-operation with foreign countries on the basis of these principles.

Wang called Tanabe "an old friend of the Chinese people" and spoke highly of his efforts since the 1950's to help restore Sino-Japanese diplomatic relations.

On Thursday afternoon, Zhu Liang, head of the International Liaison Department of the CPC Central Committee, held talks with the delegation and exchanged views on Sino-Japanese relations, as well as on the situation in Asia and the world in general.

Noting the end of the recent Gulf war, Tanabe said, his party believed international problems should be settled through dialogue instead of war. He voiced his appreciation for China's position on the Gulf crisis, and its principle for building up a new international order.

The Social Democratic Party is concerned with the changes in Asia, he said. In dealing with its relations with other Asian countries Japan should observe the following principles: Japan should always remember its war responsibilities during the Second World War, should abide by the constitution of peace, prudently handle the issue of sending forces overseas, strengthen economic co-operation with China and other Asian nations, and play a positive role in the economic development in Asia.

Zhu Liang expressed appreciation for the Social Democratic Party's efforts to help enhance Sino-Japanese relations, and for its position concerning safeguarding world peace.

### Meets Jiang Zemin

*OW0405123891 Beijing XINHUA Domestic Service  
in Chinese 0851 GMT 4 May 91*

[By reporter Chai Shikuan (2693 0013 1401)]

[Text] Beijing, 4 May (XINHUA)—Jiang Zemin, General Secretary of the CPC Central Committee, met with a delegation of the Social Democratic Party of Japan [SDPJ], which was led by the party's vice chairman, Makoto Tanabe, at Zhongnanhai this morning. The host and the guests had a cordial and friendly conversation.

The SDPJ is one of the founders of the Sino-Japanese Youth Exchange Center. Makoto Tanabe and his party attended the inauguration activities of the center yesterday.

According to Chinese officials, during the meeting, Jiang Zemin praised the SDPJ for its contributions over a long period of time to the promotion of Sino-Japanese friendship. Concerning Sino-Japanese relations, he emphasized the need to sum up past experiences and look into the future. He said that the friendly relations established by the leaders of the older generation of the two countries should be passed on from generation to generation. For this reason, it is very important to promote exchanges and mutual understanding between the young people in the two countries.

Makoto Tanabe said: Japan and China are neighboring countries separated only by a strip of water. The relations between them should further develop. The SDPJ will continue making efforts to promote the bilateral friendly relations and cooperation. The SDPJ and the CPC have very good relations. I hope that the two sides will increase exchanges, and that the CPC will send a delegation to visit Japan.

Present at the meeting was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

### Jiang on Korean Unity

*OW0405124191 Tokyo KYODO in English 1129 GMT  
4 May 91*

[Text] Beijing, May 4 KYODO—China does not expect a quick reconciliation between North and South Korea, Chinese Communist Party General Secretary Jiang Zemin said Saturday.

Jiang made the remark in a meeting with Makoto Tanabe, vice chairman of the Social Democratic Party of Japan, a source traveling with Tanabe said.

Pointing out that the two Koreas have been separated for a long time, Jiang told Tanabe that talks aimed at their reunification will also take a long time.

"There is a Chinese saying that you cannot dig a well with one hoe," Jiang was quoted as saying.

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On China's own relations with South Korea, Jiang was also somewhat enigmatic, saying that, while the two countries have exchanged trade representative offices, "We have no formal diplomatic relations with the South at this point."

Jiang withheld forthright support to North Korea on the issue of South Korea's attempt to gain separate membership in the United Nations, calling it "an internal problem" for North and South Korea.

"I do not wish to speak in depth on this matter," he told Tanabe.

The statement contrasted with a more straightforward thumbs-down on Seoul from Zhu Liang, head of the Communist Party's International Liaison Department, who told Tanabe on Thursday that China "cannot support" South Korea's bid for separate U.N. membership.

Zhu, however, would not say how China will vote on the issue.

Jiang also hinted at a degree of difference between China and North Korea in comments to Tanabe on the question of North Korea's possible nuclear weapons capability.

Jiang noted that when Tanabe met North Korean President Kim Il-song in September last year, Kim told Tanabe that his country does not possess nuclear weapons and does not have the capability to produce them.

"I have not asked him, but I think it is all right to believe what President Kim says," Jiang said.

Chinese Premier Li Peng is currently visiting North Korea, and Jiang's comments, which appear to distance China from North Korea, may indicate that China wants Pyongyang to soften its position on the issue of U.N. membership and to open its nuclear facilities to international scrutiny.

Jiang said he would not be discussing "third country matters" during a visit to the Soviet Union later this month.

Both the Soviet Union and China, as permanent members of the U.N. Security Council, have the power to single-handedly veto applications for U.N. membership.

Jiang hinted at the importance attached to his visit to the Soviet Union when he pointed out to Tanabe that he is the chairman of the Chinese Communist Party's Central Military Commission as well as the party's general secretary.

China and the Soviet Union are currently discussing the possible provision to China of Soviet-built Sukhoi 27 all-weather air-to-air combat jet fighters.

#### Cautions on SDF Missions

OW0405130891 Tokyo KYODO in English 2115 GMT  
4 May 91

[Text] Beijing, May 4 KYODO—Chinese Communist Party General Secretary Jiang Zemin recalled Japan's past aggression and cautioned on Saturday against allowing any escalation of its overseas dispatch of self-defense forces personnel.

Jiang, at a meeting with Social Democratic Party (SDP) Vice Chairman Makoto Tanabe, acknowledged that Japan's dispatch of minesweepers to the Persian Gulf is an attempt to clear a passage for oil tankers, but said the mission is evoking mixed feelings among people in China and other Asian countries.

"There is a saying that even an ant's hole can breach a dike a thousand miles long," Jiang told Tanabe. "You can never completely eliminate a historical fact."

On Friday, Jiang became the first Chinese leader to voice understanding of the minesweepers' voyage, when he told former Japanese Prime Minister Yasuhiro Nakasone that he "understood" the situation surrounding their dispatch.

Chinese Premier Li Peng also told Nakasone on Wednesday that the dispatch is a delicate issue.

Tanabe responded to Jiang's comments by pointing out that he thought debate in the Diet about the dispatch of the minesweepers had been insufficient.

He also told Jiang that the SDP believes that Japan's international contributions should center on the United Nations, that Japan should not forget its responsibility for the Pacific war and that it should dispatch civilians for nonmilitary purposes in line with its "peace constitution."

**Political & Social****Beijing Tightens Security, One Student Arrested**

*HK0505042691 Hong Kong Commercial Radio  
in English 0400 GMT 5 May 91*

[From "Main News" Program]

[Text] Security forces in Beijing have tightened surveillance of suspected pro-democracy activists, and Chinese sources say at least one student has been detained for printing an underground newspaper.

Wood Edmunds reports: [start recording] Sources say the increased security is aimed at averting unrest during the second anniversary of the pro-democracy movement that was crushed by the army on June the fourth 1989. According to the sources, Liu Xianping, a student at Beijing People's University was detained recently for allegedly publishing a "Democracy Forum," an unauthorized journal that called for reform of the communist system. Security officials have begun combing through political reports compiled by every Chinese citizen, school, or work place to identify potential activists. Once such activist said she had been informed by friends with official contacts that her name appeared on the internal black list of suspects to be arrested if there was renewed political unrest. [end recording]

**Deng Said Behind Huangfu Ping Articles on Reform**

*HK0605102891 Hong Kong CHING PAO in Chinese  
No 166, 10 May 91 pp 24-27*

[Article by Liu Pi (0491 1801): "Deng Xiaoping Launches 'Northern Expedition' To Emancipate Mind; Beijing, Shanghai, Other Provinces and Municipalities 'Respond' by Opening Wider to Outside World"—first paragraph is CHING PAO introduction]

[Text] To create a new situation in reform and opening up and resolve China's current economic problems, Shanghai's JIEFANG RIBAO, in light of Deng Xiaoping's instructions, issued a series of important articles on reform and opening up under the signed name of Huangfu Ping (pen name of Shanghai writing group) on the eve of the convocation of this year's National People's Congress. Beijing and other localities responded immediately, loudly singing the tune of emancipating the mind. According to commentators, this move can be regarded a "northern expedition" of Deng Xiaoping's economic thinking.

Since the Fourth Plenary Session of the 13th CPC Central Committee held after the 4 June incident, the CPC has focused attention on the image of unity of the policy decisionmaking group. However, the grave financial difficulties arising from the successive deficits of China's enterprises over the past two years have revealed the differences in strategic thinking of the CPC's policy decisionmaking group. The inside story of all this will be revealed in this article. First of all, let us review the

conversation between Chinese Premier Li Peng and former U.S. President Carter on human rights.

**Conversation Between Li Peng and Carter on Human Rights**

Premier Li Peng met with and feted former U.S. President Carter, who had established diplomatic relations with China, at the Beijing Diaoyutai State Guesthouse on the evening of 14 April. Despite the substantial delicacies served at the banquet, there was nothing in common in their conversation.

Li Peng: We want to continue to increase our trade contacts with the United States and I hope Mr Carter will do something to accelerate their progress.

Carter: Trade is necessary, but not the most important thing. The main problem is China's human rights. China should release those people who were detained and sentenced who took part in peaceful petition during 4 June 1989.

Li Peng: Our judiciary is independent so the government cannot interfere in the courts which tried the people who took part in the 4 June turmoil and rebellion.

Carter: I believe you can do something.

.....

Of course you could never see the above conversation in the Chinese newspapers. Even Chinese journalists are unaware of this. In its dispatch, the XINHUA NEWS AGENCY made 108 amendments to the press conference given by Premier Li Peng to hundreds of Chinese and foreign reporters on the afternoon of 9 April. Besides Li Peng's answers, the agency even revised the reporters' questions.

Two days after Li Peng's meeting with Carter, U.S. President Bush met China's Tibetan religious leader the Dalai Lama at the White House. Moreover, the U.S. State Department rejected the strong protest lodged by the Chinese Foreign Ministry. This move attracted worldwide attention: Whither Sino-U.S. relations?

It has been reported that the CPC already had a plan, asking He Xin to write a lengthy article entitled "On Human Rights." It is likely that the article will be published in RENMIN RIBAO, the organ of the CPC Central Committee.

**Deng Says He Wants To Issue Articles in Shanghai**

Shanghai was particularly busy during this year's spring festival. Deng Xiaoping stayed there for more than a month, longer than before. Moreover, senior CPC veterans gathered in Shanghai. These political veterans went to Shanghai because they were informed that Deng Xiaoping was rather upset. Before leaving Beijing, Deng said: "Nobody is listening to me now. If such a state of affairs continues, I have no choice but to go to Shanghai to issue my articles there."

Following Deng Xiaoping's arrival in Shanghai, two mayors and a provincial governor delivered similar speeches, focused on "attaining a new plane in ideological emancipation, developing new thinking in reform and opening up, and creating a new situation in economic construction." It is said that these are the words of Deng Xiaoping (note: please read Sun Yiliang's article in this issue for more details) and that this was the purpose of his visit to Shanghai. The first speech was delivered by former Shanghai Mayor Zhu Rongji at the spring festival gathering, which was followed by Beijing mayor Chen Xitong. The provincial governor who delivered the speech was Wu Guanzheng from Jiangxi.

At the standing committee meeting of the Beijing Municipal CPC Committee, Chen Xitong said: "Emancipation of the mind is the halter of work in 1991." He enumerated the seven expressions of the failure to emancipate the mind: First, equating the development of a socialist commodity economy and application of market regulation with capitalism; second, overcautiousness and too many misgivings in using foreign capital and setting it against self-reliance; third, in the question of reform, setting economic improvement and rectification against deepened reform; fourth, some enterprise leaders are willing to be "small bosses," but are not willing to jump out of the small circle and start a great career; fifth, the mentality of "that's good enough" and being satisfied with the little achievements made every year; sixth, setting patience for success and a steady, sustained, and coordinated development of economic construction against handling work efficiently and having a sense of urgency; and seventh, having sight of the unfavorable factors, but not the favorable ones while making an analysis of the situation. The first, second, third, and sixth points appeared in both JIEFANG RIBAO, an organ of the Shanghai municipal party committee, and the speech made by Governor Wu Guanzheng. The terms used were also the same. There is only one explanation for this: The words were quoted from Deng Xiaoping.

As early as in 1989, Deng Xiaoping said "once the political situation is stable and the economy has turned for the better, foreigners will knock at our door again." Following the 4 June incident, Deng Xiaoping laid down the strategic thinking of seeking "internal stability" first. The purpose was to continue reform and opening up and develop the economy. However, his strategic thinking was faced with serious challenges from the leftist forces. In view of retrogression in economic policies and the danger of the reform achievements being undermined, Deng Xiaoping said in early 1990 that economic work was not being properly done. Based on the first four points mentioned in Chen Xitong's speech, he also expressed negative views on the first draft of the Eighth Five-Year Plan and 10-Year Program.

#### Huangfu Ping Criticizes He Xin Without Mentioning the Name

JIEFANG RIBAO issued a commentator's article entitled "New Lines of Thought Needed in Reform and Opening" under the name of Huangfu Ping on 2 March. The article pointed out that reform in the 1990's would not work without new lines of thought and new measures. For this reason, the key lies in further emancipating the mind. Regarding the relationship between planning and the market, the article criticized the way Chen Xitong followed by setting one against the other or equating the two, regarding this as "rigidity of new thinking."

On 22 March, Huangfu Ping issued an article entitled "The Consciousness of Further Opening Up Needs To Be Strengthened," in which he openly proposed: "Comrade Deng Xiaoping places high hopes on Shanghai's opening up in the 1990's. Shanghai should hold higher the banner of reform and opening up. The opening of Pudong should be faster, better, and bolder." The article systematically criticized all kinds of erroneous thinking which involved the use of foreign capital. As a matter of fact, the article systematically refuted the viewpoint that "investment by the developed countries has led to poverty of the Third World" mentioned in the first part of He Xin's article entitled "The World's Economic Situation and China's Economy." He Xin said: "The developed countries first invented a transnational economy and then a foreign-debt economy, resulting in the outflow of resources from the developing countries." However, Huangfu Ping said: "We should courageously take a risk, boldly use foreign capital, and turn Shanghai into a commercial, financial, and information center." Huangfu Ping proposed a new viewpoint: "The measure adopted to further open up to the outside world is tantamount to deepening reform." He continued: "For example, allowing foreign businessmen to open banks itself is a breakthrough in deepening financial reform and establishing an international financial system. Take another example, commercialization of housing can be promoted by allowing foreign firms to run real estate business. Moreover, we can perfect part of the real estate market. Yet another example, the drawing of foreign capital to transform domestic enterprises will inevitably bring about a change in management and structure of the state-owned enterprises. The big steps taken in opening up will bring about new train of thought and concepts, further upgrade our thinking in an all-round way, and readjust the social formation." In the two years since the 4 June incident, Chinese media have never ceased to criticize "all-directional" reform. If you do not look at the date, these remarks of Huangfu Ping could have appeared in Shanghai's SHIJIE JINGJI DAOBAO and Beijing's JINGJIXUE ZHOUBAO.

Echoing Huangfu Ping's appeals, BEIJING RIBAO put forward the need to "sing out loud the main theme of emancipating the mind." JIANGXI RIBAO was even more direct when it published the text of Governor Wu

Guanzheng's speech at a plenary session of the provincial government: "Emancipate the mind, explore new ways, and be enterprising in order to perform every task satisfactorily."

Such an offensive has been described by commentators as a "northern expedition" of Deng Xiaoping's economic thinking.

#### Deng To Give Comprehensive Exposition of Strategic Thinking

The "northern expedition" began on the eve of this year's Fourth Session of the Seventh NPC and the CPPCC conference. For a while, the simultaneous blowing of bugles and thundering drum beats made it impossible even for Premier Li Peng's "Report on the 10 Year Program for National Economic and Social Development and the Eighth Five-Year Plan" to keep pace and in harmony. Regarding the proposal outlined in the "Program (Draft)" that the gross national product should register an annual increase of around 6 percent in the next 10 years, Li Peng made the following clarification: "Our country's economy is underdeveloped while the pressure from population increase is enormous. To resolve all kinds of economic and social contradictions, improve the people's livelihood, and gradually achieve modernization, it is impossible not to have a fixed rate of economic growth. Provided that conditions permit it, it is necessary to strive for a faster rate of economic growth. But haste should be avoided in construction as excessive demands for speed often easily lead to instability in the economy." While drafting the "Proposal (Draft)," the experts from the State Planning Commission and the State Council had had a fierce argument over the question of growth rate. The experts pointed out that the calculation of the average growth rate based on the gross national product was not scientific, and that agricultural products and industrial products are often computed twice. They added that the growth rate should be determined according to the per capita national income and that no limit should be set on the speed so that the faster the growth is, the better it is. However, the State Council repeatedly asserted that the gross national product be used as the basis of calculation and even restricted growth rate to 6 percent.

Regarding the economic structural reform and the opening to the outside world, Li Peng outlined a few fundamental demands, including: "Uphold the socialist public ownership system as the principal structure, adequately develop individual economy, private economy, and other economic sectors, and perfect the ownership structure in accordance to the demands of the growth level of the forces of production"—this is a totally old thinking and comes under the debate of "whether to belong to capitalism or to socialism." Regarding the question of "invigorating the vitality of large and medium-sized enterprises under the system of ownership by the people" which needs to be resolved satisfactorily, Li Peng spoke at length on this but he completely ruled

out the need to attract foreign capital in order to rehabilitate the enterprises. Instead, he spoke about indiscriminately applying the old methods which had already been used in the 1980s. Meanwhile, Huangfu Ping proposed: "Reform in the 1990s should focus on invigorating the large and medium-sized state-run enterprises which serve as the pillar of the socialist economy. To win this 'battle to storm the heavily fortified positions' which has a higher degree of difficulty, covers a wider span, and has more far-reaching ramifications, new ideas and new methods are necessary as the simplistic transplant of certain new methods used during reforms in the 1980s will not do. When the Plenary Session of the Seventh CPC Central Committee called on us to dare to take chances, it in effect encouraged us to dare to create and to explore. This means that certain theses in books should not be transformed into dogmas which tie our hands, nor should certain methods which have proved effective in practice be regarded as flawless models."

Concerning the timetable for the completion of the new economic structure, Li Peng's proposal of 10 years is longer than originally envisaged. The reason is attributed to the national conditions: "It is necessary to refrain from rash action and overhastiness," and "to actively and steadily move forward." The focus of Li Peng's emphasis lay in "stability" as he had no sense of urgency.

"Huangfu Ping" is the nom de plume of the writing team from the propaganda department of the Shanghai Municipality CPC Committee. It was learned that Huangfu Ping is preparing to write major articles which will expound comprehensively the strategic thinking of Deng Xiaoping. This again runs counter to the major article He Xin is preparing and where he will sound the batucy against the Americans.

#### The Central Propaganda Department Investigates the Background of "Huangfu Ping"

After publication of Huangfu Ping's article, the Central Propaganda Department sent special personnel to carry out an investigation in Shanghai and after finding out its background, the Central Propaganda Department took exception to it. It should be noted that GUANGMING RIBAO's deputy editor Zhou Rongbin actually declared openly that the articles by Huangfu Ping should be criticized. Similar statements that Huangfu Ping should be criticized were also made by RENMIN RIBAO'S theoretical department chief Sun Yongren (formerly editor-in-chief of the LILUN XINXI BAO under the BEIJING RIBAO Publications) and by deputy chief Huang Meilai (former political instructor at Qinghua University who, along with Sun, was transferred to RENMIN RIBAO after the 4 June incident). Meanwhile, BEIJING RIBAO not long ago published a report made by Beijing Municipality CPC Committee Secretary Li Ximing on the strengthening of ideological work. The contents were in sharp contrast to Chen Xitong's speech on the emancipation of the mind.

6 May 1991

### The Origin of the "Northern Expedition" and the Original Intentions of Deng Xiaoping

How can the chapter on the 4 June incident be genuinely concluded and the people pacified? People closest to Deng Xiaoping have offered three suggestions to him. One: It should be explained that Beijing Municipality lied about information regarding the student movement. Two: It should be clarified that Deng himself did not order the shooting. Three: Treacherous remarks like Liu Xiaobo's views that "China needs to become a colony for 300 years" should be distinguished from the radical views expounded in the course of the reform.

On the surface, Deng Xiaoping ignored these three suggestions, but it was rumoured that he wanted to reach an agreement with Zhao Ziyang, demanding that Zhao Ziyang admit that while subjectively speaking he had not wanted to split the party, objectively speaking his words and deeds had been inappropriate, thus leading to the deterioration of the situation in the spring and summer of 1989. Deng Xiaoping had hoped that Zhao Ziyang would make some sacrifices for the sake of the reforms, but Zhao Ziyang rejected the requests. So, no agreement was reached.

Concerns over the economic problems forced Deng Xiaoping to go south to Shanghai, determined to find a new impetus for the reforms, and through it to recover his pre-4 June incident influences.

### Significance of the Promotions of Zou Jiahua and Zhu Rongji

The biggest move in this year's NPC meeting was the appointment of Zou Jiahua and Zhu Rongji as vice premiers. Zou Jiahua is an expert in dealing with tough issues. On the other hand, Zhu Rongji is a pioneer of the "Northern Expedition" and has an excellent image as a reformer because of his great efforts connected with the Pudong development zone. Some people have commented that these personnel changes could mean that leaders whose connections with the 4 June incident make them appear unacceptable both at home and abroad will be given new job assignments. Because both Zou and Zhu are not accountable for the 4 June incident, they are fairly suitable candidates as the next heads of government.

Some have even commented that since the fall of Hu Yaobang in 1987, and particularly because of the blow dealt by the 4 June incident, if reforms are to rely only on new strategies, new measures, and new ideas in terms of the economy and if no action is taken on political reform, it is feared that the opening of a new situation would still be extremely difficult.

### Inmates Used To Produce Export Goods

HK0605110291 Hong Kong AFP in English 1052 GMT  
6 May 91

[Text] Hong Kong, May 6 (AFP)—A Hong Kong man recently jailed for five years for political offences in

China, Luo Hai-sing, has written to say he and other prison inmates produced man-made flowers for export, his wife here said Monday.

Allegations of Chinese prisoners producing exports have caused an uproar in the United States, which bans such trade.

The issue, together with Beijing's human rights record and huge trade surplus with the U.S., have prompted Washington to threaten to scrap its most-favoured-nation trading status (MFN) for China which is up for renewal in June.

An editorial in the local WEN WEI PO daily, seen as Beijing's mouthpiece here, Monday categorically denied the allegations by U.S. Congressmen and human rights activists, which it said were "dirty rumours... based on no facts."

Mr Luo "wrote from prison while awaiting trial—that would be around January and February—and said that he and other prisoners were made to produce man-made flowers everyday," said his wife, Luo Chau Mat-mat.

"He wrote that judging by the tags they put on the flowers the products were clearly for export, to where he didn't say and probably couldn't tell," Mrs Luo said.

"He said they worked more when there were more orders and vice-versa," Mrs Luo said.

Mr Luo, a Hong Kong resident, was sentenced in March by a court in neighbouring Gaungzhou for trying to help leading Chinese dissidents flee the country in the aftermath of the June 4 Beijing massacre in 1989.

Mrs Luo said that following his conviction her husband was understood to have been moved to another prison in the southern Chinese city and had not written to her since.

Chinese officials have also denied that goods for export are made in the country's prisons, notably after a recent report to that effect by the New York-based human rights group Asiawatch.

### Yao Yilin Returns to Work After Illness

HK060510691 Hong Kong SOUTH CHINA MORNING POST in English 6 May 91 p 8

[By Chris Yeung]

[Text] Chinese Vice Premier Mr Yao Yilin has returned to daily work after recovering from a long illness.

In spite of intense speculations that he would soon retire for health reasons, Mr Yao, in the capacity of Acting Premier, convened a conference on Saturday on the latest developments in food price rises.

Mr Yao, 74, had not appeared at any public function in the past few months including the National People's Congress' fourth plenum which ended on April 6.

But a few days after the NPC session closed, he appeared on state-run television attending a funeral for a veteran non-communist party leader.

Mr Yao also bid farewell to Premier Mr Li Peng when he left for Pyongyang on Friday.

It has been reported that his position as number two in the State Council has been taken by another Vice Premier, Mr Tian Jiyun.

His re-emergence on Saturday to chair the conference on the price adjustments for grain and oil, which became effective on May 1, was seen as a move to show that he was still Mr Li's right-hand man.

The fact that he presided over the conference on the price reforms, described by the New China News Agency as "one of the most important steps taken in the reform efforts of the past 20 years", also indicates that he still plays a major role in daily affairs of the country.

This is despite reports that he was under criticism by patriarch leader Mr Deng Xiaoping because the original draft of the Eighth Five Year Plan (1991-95) and the Ten Year Development Outline was too conservative.

According to the latest issue of the China-watching Mirror Monthly [CHING PAO], Mr Deng was angry that Mr Yao diverted from the resolution adopted at the 13th party plenum held in 1987 in the two draft blueprints.

The magazine said Mr Yao was being stripped of his work to draft the documents after he ignored Mr Deng's advice.

#### **Li Peng Commends Telecommunications Workers**

*HK2904040791 Beijing CHINA DAILY in English  
29 Apr 91 p 3*

[By staff reporter Gao Jinan]

[Text] China will give top priority to expanding and modernizing its posts and telecommunications sector over the next 10 years.

This was the message from Chinese Premier Li Peng who said he hoped the sector would introduce more advanced technology and equipment to boost the modernization drive.

Li made the remarks at a ceremony held in the Great Hall of the People to award 254 model workers in the posts and telecommunications industry.

He said the industry was vital to China's national economic development and closely linked to people's daily lives.

The tremendous achievements made in the sector in the last five years had helped greatly in efforts to put the reform and open-door policies into effect, he said.

Between 1986 and last year, a record 20 billion yuan (\$3.8 billion) had been invested in the sector, exceeding the total invested in the 36 years since the founding of New China in 1949.

The investment for the 1991-94 period would be about the same, Li said, in order to achieve a more rapid pace of development.

By the end of last year, China had more than 12.7 million telephones—just over one phone for every 100 people.

And Yang Taifang, minister of Posts and Telecommunications, said the capacity of the urban telephone exchanges had shot up from 2 million lines in 1980 to 8.26 million lines now.

Forty six percent of the telephones in the urban areas were advanced programme-controlled ones, Yang said.

Long-distance communication lines had also increased to 112,000 lines by the end of last year from 20,000 lines in 1980.

To date, Yang said, 771 cities and towns had been connected up to the country's automatic long-distance telephone network and 321 of these cities had direct dialling links with more than 180 countries and regions.

The ministry could provide all the postal and telecom services which any developed country could offer, he said.

It planned to construct a transmission network consisting of satellite, microwave and optical fibre and a telephone network comprising digital telephones.

According to the central government's blueprint for economic and social development over the coming decade, the telephone exchange capacity will increase by 15 million lines in the 1991-95 period. This means there will then be two telephones for every 100 people.

About 150,000 long-distance lines would be installed and 8,000 kilometres of high-capacity optical fibre lines would be constructed over the next five years, Yang said.

#### **Li Ruihuan Addresses 4 May Anniversary Forum**

*OW0505042391 Beijing XINHUA Domestic Service  
in Chinese 0917 GMT 4 May 91*

[Speech by Li Ruihuan at a forum on 4 May 1991 marking the 72d anniversary of the 4 May Movement]

[Text] Beijing, 4 May (XINHUA)—Comrades: Today is the 72d anniversary of the May 4th Movement. On behalf of the CPC, I extend greetings to young people across the country.

China's advanced intellectuals and progressive youths raised the banner of democracy and science 72 years ago to wage a great struggle against imperialism and feudalism, thereby opening the way for the new democratic

revolution. After that, the creation of a new China that was independent, prosperous, and strong became a long-cherished goal of the vast numbers of patriotic youths. The CPC led people of all nationalities across the country through 28 years of valiant battles and hardships, and eventually established a socialist New China. Another several decades of hard pioneering work, especially more than a decade of reform and opening, later caused earth-shaking changes in our impoverished and backward motherland, enabling it to stand tall in the East. Our observance of the May 4th Movement today is to promote the movement's patriotic spirit and to strive for China's further rejuvenation.

At present, the entire country is working to achieve the second strategic goal of socialist modernization. This is an important historical phase for realizing the great ideal of reviving the Chinese nation harbored by the May 4th Movement's pioneers, a phase that is crucial to the Chinese nation's future and destiny. Practice since the initiation of the May 4th Movement indicates that youths are always the enormous driving force behind social change and progress. And they certainly will play the roles of a new force and a shock brigade in trying to achieve the second strategic goal. This is because we can pursue our arduous cause with the assistance of energetic youths, who form an undaunted force with exceptional fighting power, and our cause of modernization with the help of studious young people, who form a force that is capable of mastering new job skills and advanced science and technology fairly quickly. We can also pursue our trail-blazing cause with the assistance of ideologically active youths, who form a force that is undauntedly pioneering and enterprising. Realization of the second strategic goal has a direct impact on the interests of contemporary youths in many ways. And the advancement of the four modernizations drive, the intensification of reform and opening, the development of science and education, the realization of moderate prosperity, and the overall increase in national strength, will create better working, studying, and living conditions for the younger generation, as well as provide them with a larger arena in which to fulfill their ambitions and to render meritorious services. Hence, arousing the enthusiasm, initiative, and creativity of the broad masses of youths to the fullest possible extent, and putting them to rational use, constitute an extremely important link in the effort to successfully achieve the second strategic goal.

Our youths should fully recognize their lofty historic mission, raise their spirits, take action, and use the gleam of their youthfulness to add luster to the great cause, which was launched for their benefit and is dependent on them for success. Youths should, and must, foster lofty ideals in assuming the glorious duties of the times. Ideals provide us with a strong spiritual pillar for surmounting all difficulties and for creating a good future. We should set the same stringent standards for ourselves as those for successors to the revolution, closely link our destiny with the motherland's and our goals with those of the state and collectives, cultivate self-respect, constantly

improve ourselves, and promote the patriotic spirit of the May 4th Movement's pioneers.

Youths should, and must, perform their own jobs well in assuming the glorious duties of the times. Now that the direction for our advance has been pointed out, and our tasks defined, we should work diligently and pragmatically in our respective posts. We should start with ourselves and take action now, so as to score excellent achievements in our jobs through dedication and proficiency. Moreover, youths should, and must, earnestly engage in reading and study in assuming the glorious duties of the times. They should study Marxism assiduously; foster a correct outlook on life; adhere to the four cardinal principles; enhance their resistance to erroneous ideological trends, such as "peaceful evolution" and bourgeois liberalization; and work hard to gain scientific and general knowledge. Science and technology is the primary productive force. Progress in our country's socialist modernization mainly depends on the extent of scientific and technological knowledge of all workers, especially those of the younger generation. Hence, the younger generation must arm themselves with advanced scientific knowledge; strengthen the national economy's material and technological foundations; learn from society; weather the storm, face the world, and temper themselves in the course of mingling with the broad masses. They should learn from comrades of the older generation, inherit and promote fine traditions, and work constantly to attain maturity.

The party and government at all levels and the entire society should show concern and love toward young people. Why on earth did we, the communists, shed our blood and follow each other in sacrificing ourselves in the pre-liberation period? And why on earth did we wage arduous struggles and toil incessantly after the founding of New China? All these efforts were essentially aimed at achieving national independence, prosperity, and strength; at promoting the people's well-being; and at building great socialism and communism. You can say that they were also intended for the future, which belongs to the young people. Neglecting efforts to care for and educate the younger generation amounts to ignoring our great achievements in revolution and construction carried out over several decades, and to losing track of the ultimate goal of our lifetime struggle. We should improve our understanding of youths. We must realize that the youth of today constitutes a very promising, extremely capable, and completely reliable generation. "The waves behind push forward those in front in the Chang Jiang," and "the sound of fresh winds is clearer than that of stale winds." Having full confidence in young people is having full confidence in the future. We should respect youths' characteristics, cherish their strong points, enthusiastically help them to overcome their shortcomings and frailties, and guide them along the path of healthy growth. We should create opportunities in many areas for young people to display their talents, have the courage to increase their work burdens, and build up conditions for outstanding and talented

people to distinguish themselves. It is necessary to lend active support to work undertaken by the Communist Youth League [CYL], expand the roles of CYL organizations at all levels, and forge close ties with young people by befriending more youths, listening to their requests and voices, resolving their problems, and performing practical deeds for them.

Young comrades, in his speech at a reporting meeting marking the "May 4th Movement" last year, General Secretary Jiang Zemin noted that the 21st century belongs to you. History has devolved on you the heavy task of achieving China's socialist modernization, and we need your assistance in creating a bright future for the socialist motherland. I believe that the Chinese youths of today certainly will live up to the high expectations nurtured by the party and the people, and will perform immortal deeds in the historical process of achieving the second strategic goal, on the great march into the next century, and toward the grand cause of building socialism with Chinese characteristics.

### Leaders Meet Forum Delegates

OW0405135291 Beijing XINHUA Domestic Service  
in Chinese 0924 GMT 4 May 91

[“Jiang Zemin and Other Leaders Meet Youth Representatives —XINHUA headline; by reporter He Ping (0149 1627)】

[Excerpts] Beijing, 4 May (XINHUA)—Addressing a form with the youth representatives from all walks of life held this afternoon to mark the 72d anniversary of the May 4th Movement of 1919, Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, pointed out that arousing the maximum enthusiasm, initiative, and creative urge of the vast numbers of youths and reasonably bringing them into full play is an extremely important link in successfully achieving the second-step strategic objective.

The forum was held in the Huairen Hall at Zhongnanhai. Before the forum began, Jiang Zemin, Li Ruihuan, Ding Guangen, and others met with the youth representatives invited to attend the forum and posed for a group photo with them.

After the meeting, Comrades Li Ruihuan and Ding Guangen held a forum with the representatives. [passage omitted]

The forum was jointly sponsored by the Central Committee of the Communist Youth League [CYL], the All-China Youth Federation, and the All-China Students' Federation and was presided over by Song Defu, first secretary of the CYL Central Committee. [passage omitted]

### Li Ruihuan, Bo Yibo Greet Public Relations Forum

OW0505141891 Beijing XINHUA Domestic Service  
in Chinese 0546 GMT 5 May 91

[By XINHUA reporters Liu Yiqing (0491 4135 3237) and Li Niangui (2621 1628 6311)]

[Text] Beijing, 5 May (XINHUA)—The national meeting on public relations work, which opened in Beijing today, announced the results of "evaluating and selecting China's enterprises with outstanding public relations work in 10 years." An awards ceremony was held at the Great Hall of the People.

Li Ruihuan and Bo Yibo both sent greeting letters and messages to the meeting. Liu Lantao, Chen Xilian, and others attended the meeting. In his greeting message, Li Ruihuan pointed out: The development of public relations work in China is a natural trend in carrying out reform and opening to the outside world. Public relations work applies new management science to coordinate relations of various sides in the society, builds closer relations between the party and the broad masses of people, gives full play to all positive factors, safeguards stability and unity, and promotes socialist construction. In his greeting letter, Bo Yibo said: In developing public relations work, we must keep to the socialist orientation, adhere to the party's basic line of "one center and two basic points," and have the objective of serving both spiritual civilization and material civilization. He hoped that comrades working on public relations would use their wisdom and exert positive efforts to invigorate large and medium-sized enterprises.

Thirty-nine enterprises received awards. Guangzhou Baiyunshan Pharmaceutical Plant and 11 other enterprises received the award "Enterprise With the Best Public Relations." Qingdao City's Yinda Corporation and 22 other enterprises received the award "Enterprise With Outstanding Public Relations." Beijing Railway Bureau and three other units were issued "special awards."

Public relations work started with the great tide of reform and opening to the outside world in the early 1980's. Its role is to take root in and serve the society, link up relations for reform and opening to the outside world, and promote the development of economic, cultural, and other undertakings. The current evaluation activities, which showed outstanding achievements in public relations work of various enterprises in the past 10 years, were sponsored by the China Public Relations Association, Shenzhen University's mass media department, and five other units. The Guangdong Jianlibao Corporation, which received the award "Enterprise With the Best Public Relations," has extensively used mass media to advertise its products in a creative nature in competing with other products in the market and promoting public relations. The corporation has firmly established its place in the highly competitive international beverage market, and its products have been described as "east magic water." The Nanjing Water

Heater General Plant, which also received the award "Enterprise With Best Public Relations," used corrective tactics by means of public relations at a critical moment on the verge of ceasing production. The corporation turned its goods into leading products among water heater plants in the country, and its sales now top the whole country. The Sichuan Luzhou Laoyao Distillery has used public relations work to maintain its marketing advantage, and its 70-year old famous brand is widely recognized by the public.

### Song Ping Addresses China Planning Society

OW0605133191 Beijing XINHUA Domestic Service  
in Chinese 0910 GMT 6 May 91

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 6 May (XINHUA)—The second congress of the China Planning Society ended here today. Song Ping, member of the Standing Committee of the Political Bureau of the CPC Central Committee, spoke at the meeting. He said: An extremely important aspect of building socialism with Chinese characteristics is to combine a planned economy with market regulation in striving to promote a sustained, stable, and coordinated growth of the national economy. We should concentrate efforts on continuing to explore concrete ways and means to combine planned economy with market regulation both now for some time to come.

Song Ping said: Building socialism with Chinese characteristics is a general objective that implies substantial content and requires the common effort of all sectors and fronts. The China Planning Society shoulders the task and should do a great deal of work in exploring Chinese-style planned economics and the system of planning management. Both practical and theoretical workers engaged in planning should carry out their work in light of this general objective. They should, under the guidance of the party's basic line in the initial stage of socialism and on the basis of the fundamental theory and principles already summarized by the party Central Committee, make active exploration and work hard to map out details for institutionalizing the fundamental theory and principles.

He said: Reform is self-perfected and developing the socialist system. Reform and opening up should be organically combined with the constant consolidation and perfection of the socialist system. In combining planned economy with market regulation, we should give play to the merits of planned economy in maintaining proportionate growth of the national economy, rationally distributing resources, and adjusting income distribution, while making use of the strong points of market regulation in effecting the survival of the fittest and invigorating the economy, thereby more effectively developing social productive forces. The combination of planned economy and market regulation conforms with China's national condition, reflects in a scientific manner the essential demand and basic characteristics of

China's socialist planned commodity economy, and manifests the superiority of the socialist system. Both theory and practice show that planned economy and market regulation must and can be combined. The main problem now lies not in whether these two should or can be combined, but rather in how to further study and explore ways and means for more effectively combining the two. We must earnestly analyze new circumstances, solve new problems, and strive to study and grasp the characteristics and law of economic operations. It is necessary to deepen the reform of the planning system and improve the forms and methods of planning according to the demand and realistic conditions in developing socialist planned commodity economy in order to continuously raise the quality of planning and opening up a new situation in planned management.

The China Planning Society was founded in 1984. In the past seven years, it has successively convened 17 symposiums to discuss and study major topics in the national economic development and system of planned management and has offered numerous valuable opinions and suggestions for policy decisions at the central government level. At the latest meeting, its attendees discussed in particular how to effectively combine planned economy with market regulation in the light of the reality in China's economic development and planned management in the 1990's.

Bo Yibo, vice chairman of the Central Advisory Commission, attended the meeting.

### Li Ximing Attends Youth Day Celebrations

HK0405040491 Beijing CHINA DAILY in English  
4 May 91 p 1

[By staff reporter Wang Rong]

[Text] About 7,000 young people from all walks of life met in the Great Hall of the People yesterday to mark the 72nd anniversary of Youth Day.

At the ceremony, organised by Beijing municipal committee of the Communist Youth League, youngsters were urged to integrate more with workers and farmers in order to understand society and play a pioneering role in China's social and economic development in the next 10 years.

Li Ximing, member of the Political Bureau of the Central Committee of the Communist Party of China, said the majority of today's young were hopeful and had great potential.

But he stressed that the young must get to know more about the society and improve themselves through participating with, and learning from, the working class.

He added that the Youth League should raise its ability to act as the vanguard of all the Chinese youth, while Party and government officials at all levels should learn from those awarded for significant achievements in

caring for and guiding the younger generation, and be more open-minded in promoting capable young people and give them a free hand in their work.

At the meeting the annual Beijing May 4 medal was given to 41 youngsters for outstanding accomplishments in their lines, a further 51 got the award for doing a fruitful job in taking care of the young, and 100 more were awarded as excellent Communist Youth League members.

It was Beijing youth who began China's anti-feudal and anti-imperialist revolution 72 years ago today, and the day was later designated as the country's Youth Day to commemorate the event.

This year the festival of the young will be celebrated by a wide variety of activities, according to the municipal Youth League Committee.

Starting from the end of April, rounds of symposiums have been organized for the young to exchange views and stories with excellent youth award winners in the 50s, 60s and 70s.

#### **Yang Shangkun Sends Inscription for Sun Zi**

OW0505141291 Beijing XINHUA Domestic Service in Chinese 1101 GMT 5 May 91

[By reporter Liu Guanquan (0491 7070 2938)]

[Text] Jinan, 5 May (XINHUA)—A ceremony unveiling the statue of Sun Wu, [Sun Zi] the outstanding military strategist in ancient China, was held in Huimin County, Shandong Province, today.

Yang Shangkun, president of China and vice chairman of the Central Military Commission, sent an inscription in his own handwriting reading: *The Art of War by Sun Zi* is the Precious Gem of Our Country." Zhang Aiping, Fei Xiaotong, and Hong Xuezhi separately sent their congratulatory messages and inscriptions. The responsible persons and scholars of relevant departments attended the unveiling of the statue.

For a long time Sun Wu was considered the "originator of the art of war" and the "master of the art of war for a hundred generations." His work *The Art of War by Sun Zi* has had profound and far-reaching influence throughout the world and has been praised as "the number one book on military strategy and tactics in ancient times."

The statue is carved from granite. It is 8 meters tall and weighs over 3 tons. Sun Wu is dressed in typical clothes of ancient China and wears a silk braid around his waist, a small hat, and shoes. He carries a sword, with one hand holding the sword and the other making a fist. His face has a calm and resolute expression. On the pedestal of the statue are four big Chinese characters "Sun Wu the Master of the Art of War" written by Guo Huaruo and

inscriptions written by the Huimin County CPC Committee and the Huimin County People's Government of Shandong Province.

A ceremony marking the beginning of the shooting of the TV film "The Art of War by Sun Zi," jointly produced by the China Central Television Station, the Academy of Military Sciences of the People's Liberation Army of China, and the Society for Study of *The Art of War by Sun Zi*, was also held here today. It will be a wide-ranging TV documentary which will be informative, educational, and entertaining.

#### **Vice Premier Zou Jiahua Inspects Guangxi Projects**

HK0105103291 Nanning Guangxi Regional Service in Mandarin 1030 GMT 27 Apr 91

[Excerpts] On the afternoon of 24 April, State Council Vice Premier Zou Jiahua was seen wielding a spade and putting soil to a marble stone set as the cornerstone of the (Pingguo) Aluminum Plant, a key state project. [passage omitted]

State Council Vice Premier Zou Jiahua especially came to Guangxi to inspect key projects. No sooner had he stepped out of the plane, which landed in Nanning on the morning of 24 April, then, accompanied by regional Chairman Cheng Kejie and Vice Chairman Chen Ren, he started travelling more than 100 kilometers by car, finally arriving at the construction site of the (Pingguo) Aluminum Plant, a key state project as well as the biggest project built by Guangxi since the PRC's founding. [passage omitted]

On the construction site, Zou Jiahua placed the following three demands on the responsible comrades of the construction units:

1. To complete the construction on time;
2. To guarantee project quality;
3. To guarantee economic results. [passage omitted]

Before leaving the construction site, Vice Premier Zou happily wrote the following inscription for the project: "Work Hard, Carry Out Pioneering Work, Successfully Build the (Pingguo) Aluminum Plant." [passage omitted]

After leaving the construction site on the afternoon of 24 April, Vice Premier Zou travelled more than 200 kilometers by car and arrived at the (Yantan) Hydropower Station, another key state project, at about 20:00. On the same evening, he listened to a report made by the Guangxi Regional Electric Power Bureau leaders regarding the (Yantan) Hydropower Station's construction. [passage omitted]

After listening to the report, Vice Premier Zou fully affirmed the project and also asked about the construction of electricity networks. [passage omitted]

Zou Jiahua insisted that, in developing the electric power industry, Guangxi should suit its measures to

local conditions, simultaneously build hydropower and thermal power stations, improve the readjustment and control capability of its hydropower stations, and increase its hydropower stations' power generation capacity. [passage omitted]

At about 18:00 on 25 April, Vice Premier Zou met with regional party and government leaders in Nanning's (Linyuan) Hotel. He told the regional leaders: Building hydropower stations is one of Guangxi's superiorities. Guangxi has done a lot of work in this regard. If you further increase your power generation capacity, you will be able to have a more solid foundation. In the evening, he also listened to reports made by Liuzhou and Guilin Cities and gave important instructions.

On the morning of 26 April, Vice Premier Zou Jiahua also listened to work reports made by regional leaders in (Linyuan) Hotel. He affirmed Guangxi's work since reform and opening up and expressed his sincere hopes regarding Guangxi's future economic construction and other issues.

In the afternoon, Vice Premier Zou left Nanning by plane.

#### **Meeting on Mao's Literary, Art Thought Held**

OW0405213191 Beijing XINHUA Domestic Service  
in Chinese 1328 GMT 4 May 91

[“National Forum on Mao Zedong Thought on Literature and Art held in Hangzhou (By trainee Xu Xiaoguang (1776 2556 0342))”—XINHUA headline]

[Text] Hangzhou, 4 May (XINHUA)—The 1991 national forum of the Society for Studying Mao Zedong Thought on Literature and Art opened in Hangzhou today. The forum was attended by more than 80 representatives from various colleges and universities, social science research institutes, and literary and art circles throughout the country.

The main purpose of this forum is to solicit essays to mark the 50th anniversary of the publication of “Talks on the Yanan Forum on Literature and Art.” More than 70 essays have been collected by the current forum. These essays, combining theory with practice, expound comprehensively, or from a different angle, the content, nucleus, and characteristics of Mao Zedong Thought on literature and art, as well as its role in the development of socialist literature and art.

#### **Deng Liqun on Strengthening Marxist Study**

HK0105063591 Beijing GUANGMING RIBAO  
in Chinese 21 Mar 91 p 1

[Article by Deng Liqun (6772 0500 5028): “Strengthen Marxist Theoretical Study, Raise Entire Party’s Marxist Theoretical Level”]

[Text] To respond to the CPC Central Committee's call for studying and doing research on Marxist theory and to

celebrate the 70th anniversary of the founding of the CPC, the Changchun Publishing House will publish the *Dictionary of Works of Marx, Engels, Lenin, Stalin, and Mao Zedong*, which has been compiled through the concerted efforts of old, middle-aged, and young theoretical workers in the country, with Gao Di as chief editor. This is a basic construction project in the study and research of Marxist theory which is wholly necessary. It is believed that the publication of the book will be beneficial in promoting the study and research of Marxist theory.

Since the Third Plenary Session of the 11th CPC Central Committee, proletarian revolutionaries of the older generation, such as Comrades Deng Xiaoping and Chen Yun, have repeatedly urged the party, with sincere words and earnest wishes, to conscientiously engage in the study and research of Marxist theory. In his talk on the 40th anniversary of National Day, Comrade Jiang Zemin emphatically pointed out again, on behalf of the party Central Committee: “It is necessary to bring forward to the entire party the study and research of basic Marxist theory as well as the study and exploration of important contemporary political, economic, and social issues under the guidance of Marxism as an urgent task. It is necessary to advocate conscious study and research on the basic theory of Marxism and Mao Zedong Thought within the party and, first of all, among senior and intermediate cadres of the party.” The proletarian revolutionaries of the older generation attach importance to the study and research of Marxist theory because Marxism is the theoretical guide to building the socialist cause and this determines the heavy responsibility shouldered by the CPC. Marxist theory is an extensive and profound scientific system. The reason it can become the theoretical guide of the proletariat is that it has, fundamentally speaking, correctly revealed the general laws guiding the development of the world and human society. Marxism came into being in the 1840's. It inherited and developed the best ideas of the three main progressive ideological trends represented by the world's most advanced countries at that time: German classical philosophy, British classical political economy, and French utopian socialism. Marx and Engels dedicated a lifetime's energy to engaging in theoretical research and revolutionary practice. In analyzing the basic contradiction between socialized production in a capitalist society and private ownership of the means of production, they revealed the objective law that capitalism is doomed and socialism is certain to be victorious. They expounded that carrying out proletarian revolution, setting up a proletarian dictatorship, building socialism, and eventually realizing communism is the unshirkable historical responsibility of the proletariat and is also the only way to liberate all of humanity. Toward the end of the 19th century and in the early 20th century, on the basis of the research and practice of Marx and Engels, Lenin further enriched and developed Marxist theory and especially enriched and developed the theory of proletarian revolution and dictatorship. In addition, he guided the Russian proletariat in seizing the

great victory of the October Revolution and opened a new era in world history. By integrating the basic tenets of Marxism-Leninism with the concrete practice of the Chinese revolution, the Chinese communists, represented by Mao Zedong, achieved the victory of the theory and practice of the new democratic revolution and, after the founding of New China, brought about the success of socialist transformation and the development of socialist construction. After the Third Plenary Session of the 11th CPC Central Committee, they again succeeded in gaining worldwide attention by exploring, in terms of theory and practice, the road of building socialism with Chinese characteristics. The development of human history to date indicates that the socialist system established and developed according to Marxist theory has preliminarily manifested its advanced nature and superiority. Marxist theory has promoted the progress of human material and spiritual civilization and has had a far-reaching influence on the development of world civilization.

Even though the founders of Marxist theory could not prepare ready-made answers to future problems and might have committed unavoidable errors in their individual inferences, the overall trend of world development up to now has not gone beyond the basic laws generalized by Marxist theory. The scientific world outlook and methodology of dialectical materialism and historical materialism, the theory of surplus value revealing the secret of capitalist exploitation of labor, the theory of the basic contradictions of capitalist society and the laws governing its development, the theory of imperialism, the theory of proletarian revolution and dictatorship, the theory of national liberation movements in colonies and semicolonies, the basic principles of building socialism, and the theory of proletarian political parties—all of these have been repeatedly proven to be correct in practice.

Basic Marxist principles of scientific socialism have a more direct practical significance in guiding China's socialist modernization drive. These include the following: The proletariat should unite with the broad masses of workers in toppling bourgeois rule and replacing bourgeois dictatorship with proletarian dictatorship; carry out extensive democracy among the people and exercise dictatorship over exploiting elements and reactionary forces who comprise an extremely small minority within the population; replace capitalist private ownership with public ownership of the means of production; replace the distribution system that represents exploitative relationships with distribution according to work; develop the national economy in proportion and, in a planned way, rapidly increase social productive forces to satisfy the ever-increasing material and cultural needs of all the people; establish the guiding position of Marxism in the ideological domain, acquire and develop all the outstanding cultural achievements created by man; replace national oppression with national equality; establish and develop socialism through the leadership of the communist party; socialist society is not unalterable and, like other social systems, is subject to constant

change and reform; since the establishment of socialism hinges on the concrete historical and social conditions and cultural environment of each nation, the socialist models are diversified; the direction of socialist development is communism; and the like. To date, these basic principles are still our guide to action.

A small number of people holding to the bourgeois liberalization viewpoint advocate that Marxist theory is "outmoded" and "not suited to the national conditions." This does not hold water. In reality, setbacks and errors have appeared in the practice of some socialist countries, precisely because they have run counter to, rather than upheld, the basic principles of Marxism. The most direct and important reason for the drastic changes seen in certain parts of the world since 1989 is that the ideological trend of right opportunist thought has gained the upper hand in the international socialist movement. Faced with complicated, grim international and domestic class struggles, these countries could not correctly understand and handle their problems, which led to the loss of political power by the working class. This is precisely because they have run counter to, rather than upheld, the basic Marxist principles on class struggle and proletarian dictatorship. If we mechanically apply or copy the successful experience of any socialist country in construction as an ossified model, we precisely go against rather than uphold the idea that, in taking the socialist road, we must conform to national conditions, as repeatedly stressed by Marxism. In the past, leaders of some countries practiced personality cults and thus impaired socialist democracy and the socialist legal system. This ran directly counter to rather than upholding the Marxist historical materialist viewpoint on the interrelationship between leaders, political parties, classes and the masses. We have been eager for quick successes in socialist construction and blindly pursued purity. This precisely runs counter to and does not uphold the Marxist viewpoint on seeking truth from facts and respecting objective economic laws. In short, negating the guiding role of Marxist theory in practice will inevitably bring great disasters. Some people have only read some works by Marx and Lenin. They do not even have a rudimentary knowledge of Marxism, but they indiscriminately apply some Western theories to negate Marxism. This only shows their naivete and ignorance. Faced with the current uncertain and complicated international environment, we must use the objective laws governing social development as brought to light by Marxism and apply Marxist standpoints, viewpoints, and methods in carrying out analysis and arriving at correct conclusions and policy decisions. For over 100 years, there has not been a theory or doctrine that has maintained its vigorous vitality, played such an important role, and had such tremendous and far-reaching effects as Marxist theory. Marxism is forever the theoretical basis of our guiding ideology.

The CPC shoulders the heavy responsibility of socialist construction and has an important position in the international communist movement. This makes it necessary

to incessantly press forward the party's cause under the guidance of Marxist theory. Looking back at the road trodden by the party, we can see clearly that whenever our party guides practice with the relatively better use of Marxist theory, our cause develops; when the opposite applies we suffer setbacks.

During the new democratic revolutionary period, after experiencing countless twists and turns and paying untold prices, we finally formed the first generation of leading collectives with Comrade Mao Zedong as the core. However, strictly speaking, Comrade Mao Zedong's correct line came to be accepted by the entire party only through rectification and study at Yanan and after the party's general mastery of the correct guidelines for integrating Marxist theory with China's revolutionary practice. This study overcame and rectified all kinds of erroneous ideas within the party and played an extremely important role in achieving a high degree of unity politically and ideologically and unprecedented unity organizationally and the party's leadership of the people in striving for ultimate victory in the new democratic revolution.

During the period of the socialist modernization drive, the great discussion launched in 1978 on "practice is the sole criterion for testing truth" was, in essence, a restudy and reeducation in Marxist theory for the entire party in emancipating the mind, seeking truth from facts, and looking ahead in unity. After this great discussion, the Third Plenary Session of the 11th CPC Central Committee was convened, gradually forming the second generation of leading collectives with Comrade Deng Xiaoping as the core, greatly promoting the whole party's solidarity and unity, and improving the party's prestige among the masses. Since then, during the new period of the socialist modernization drive, the party has launched the work of setting things to rights and the great exploration of reform and opening up, and has formulated the party's basic line in the initial stage of socialism and a grand blueprint for building socialism with Chinese characteristics. After the quelling of the political disturbance in Beijing in 1989, the Fourth Plenary Session of the 13th CPC Central Committee formed the third generation of leading collectives with Comrade Jiang Zemin as the core. Confronted with the complex international and domestic situation, continuously upholding the party's basic line in the initial stage of socialism and advancing the cause of building socialism with Chinese characteristics as pioneered by Comrade Deng Xiaoping and other proletarian revolutionaries of the older generation has become a formidable task for the whole party. The key to whether or not this historical mission can be accomplished lies in whether or not the CPC's theoretical guidance is correct.

An essential requirement for a proletarian political party to reach political maturity and carry out leadership of the people correctly is to master Marxist theory. The party's theoretical steadfastness and maturity is a basic guarantee of the party's correct and scientific leadership. The building of socialism with Chinese characteristics is

led by the CPC and the party shoulders a heavy responsibility. Consequently, strengthening the study and research of Marxist theory, enhancing the Marxist theoretical level of the entire party; eliminating some of the perplexities and misgivings on the problems of contemporary socialism; conscientiously studying national conditions; increasingly upholding the four cardinal principles, the common understanding of reform and opening up, and socialist conviction; strengthening the entire party's solidarity and unity; and increasing consciousness of building socialism with Chinese characteristics are very important and urgent tasks. It should be noted that quite a number of our party's leading cadres lack a systematic understanding of Marxist theory and are not familiar with scientific socialist theory. A considerable number of comrades have not received systematic education in Marxist theory. What is more serious is that numerous comrades do not have a sober assessment and a sufficient understanding of the danger of this situation, and they do not have the consciousness to study theory. Accordingly, Comrade Jiang Zemin pointed out on behalf of the party Central Committee: "A communist who lacks Marxist theoretical accomplishment and who is not good at applying the correct stance, viewpoint, and method to analyze and solve problems will not be able to play his required role, let alone become an eligible leading cadre of the party. We must resolutely improve the condition of many leading cadres being immersed in daily routine, relaxing theoretical study and paying no attention to ideological and political developments, and conscientiously improve the theoretical level and political keenness of the comrades of the whole party."

The 1990's will see a large number of middle-aged and young comrades taking up leading positions and taking over from the old comrades of the first and second generations. The development of the party's cause demands that the party's leadership at all levels must be firmly in the hands of staunch Marxists. Whether or not accomplishment in Marxist theory can be enhanced through conscientious study and in-depth practice is an important sign of whether or not a communist has party spirit and should be a basic standard for future observation and use by leading cadres. At the Sixth Plenary Session of the Sixth CPC Central Committee, Comrade Mao Zedong pointed out: With respect to taking up the responsibility of principal leadership, if our party has 100 or 200 comrades who have learned Marxism-Leninism systematically and not fragmentarily, practically and not emptily, we will greatly increase our party's fighting strength and accelerate our work in winning victory over Japanese imperialism." Now 50 years have passed, and our whole party is still faced with the task of studying and doing research on Marxist theory and of conscientiously raising the entire party's Marxist theoretical level. As long as the whole party conscientiously studies and does research on Marxist theory and builds a huge contingent of qualified Marxist theoretical workers, so that leading cadres can firmly establish a Marxist world outlook and outlook on life and so that a large number of Marxists, particularly middle-aged and young

cadres, grow up quickly, we shall be able to continuously push forward the cause of revolution and construction as pioneered by the proletarian revolutionaries of the older generation such as Comrades Mao Zedong, Zou Enlai, Liu Shaoqi, Zhu De, Deng Xiaoping, and Chen Yun.

### **Roundup on Perfecting Intellectual Property Law**

*HK3004131091 Beijing ZHONGGUO XINWEN SHE in Chinese 0622 GMT 30 Apr 91*

[“Roundup” by reporter Sun Zhimin (1327 1807 3046); “China Is Progressively Perfecting Its Intellectual Property Laws”—ZHONGGUO XINWEN SHE headline]

[Text] Tianjin, 30 Apr (ZHONGGUO XINWEN SHE)—The China and Asia-Pacific investment and intellectual property law seminar now being held here shows that strengthening intellectual property protection is one of China's explicit and firm policies and that the legal system for protecting intellectual property is being progressively perfected.

The promulgation and implementation eight years ago of the “PRC Trademark Law” marked the launching of a legal system in China for intellectual property protection. As of the end of 1990, there had been some 279,000 valid registered trademarks in China, some 42,000 of these were of foreign trademarks; and 62 countries and regions had registered trademarks in China.

Over the last eight years, industrial and commercial administrative and judicial organs at various levels have strictly enforced the law; stopped trademark infringements; sternly cracked down on fake trademarks; investigated and dealt with a total of some 100,000 trademark infringement cases; and investigated and dealt with a number of fake foreign trademarks involving “Matsushita,” “Sony,” “TDK,” “IBM,” “Coca-Cola,” and so on, thereby protecting the trademark interests of foreign concerns.

Following the “Trademark Law,” China promulgated the “Patent Law” which offered explicit protection to inventions and creations, regarding them as invisible property and giving them the industrial property right. In the six years of the law's enforcement, China continually perfected various patent rules and regulations; established a rudimentary shape for a patent work network centering on the Chinese Patent Bureau; promoted patent examination and inspection, and agency establishment and dispute arbitration; and launched full-scale education and training in patent rights. Currently, there are over 70 patent right organs at or above the provincial level, 474 patent right agencies, and some 4,000 agents; four of these represent foreign businesses, handling foreigners' patent right applications to China and China's similar applications to foreign countries.

Statistics show that between the official enforcement of the “Patent Law” on 1 April 1985 and the end of this February, the Chinese Patent Bureau received some 174,000 patent right applications from within and

without the country and granted patent rights to some 64,000 applicants. The concerned authorities handled a total of 360 patent right disputes.

The current “Trademark Law” and “Patent Law” still need to be perfected. It is understood that Chinese legislative organs are actively working on revising and amending these two laws. The revised draft of the “Trademark Law” is in the stage of consultation on its fifth draft; and the “Patent Law's” revised draft has been sent to the State Council for examination and approval.

Following a relatively long drafting and revising period, China's “Copyright Law” will come into effect 1 June. Supporting and coordinating laws are currently being actively worked on. It is reported that the State Copyright Bureau is drafting rules to protect computer software and popular literature and arts with the cooperation of concerned authorities.

A judicial court that specially deals with intellectual property disputes, the first in China, was yesterday announced to have been established at the Beijing Municipal Intermediate Court.

### **Railway Law To Take Effect 1 May**

*OW3004074791 Beijing XINHUA in English 0718 GMT 30 Apr 91*

[Text] Beijing, April 30 (XINHUA)—The railway law of the People's Republic of China will be put into force on May 1, according to today's “PEOPLE'S DAILY.” [RENMIN RIBAO]

The railway law provides the obligations that railway transport enterprises must fulfill while engaging in production and management. It also stipulates that every citizen, local government and mass organization are obligated to protect railway facilities, safeguard public security and transport safety along the railways, and ensure the smooth construction of railways.

The “PEOPLE'S DAILY” reported that prior to its enforcement, publicity for the law has been launched throughout China. The paper noted that buildings, tall trees and other obstacles hindering the vision of engine drivers were removed to ensure railway safety.

To date, 600,000 railway workers have received training on the law, and railway departments worked out measures to improve their work on safety, public security and service.

### **Commentator Hails Law**

*HK0305032791 Beijing RENMIN RIBAO in Chinese 30 Apr 91 p 1*

[“Commentator's Article”: “People's Railway Serves the People and the People Love the People's Railway: Hailing the Implementation of the 'PRC Railway Laws'”]

[Text] The "PRC Railway Law" officially takes effect on 1 May. This is a highly significant event in our country's economic life and its building of a legal system.

Railways represent a principal artery of the national economy and an important part of the infrastructure of the country. Along with the deepening and development of the economic structural reform and the expansion of the scope of economic construction, the role of railways in the national economy and in communications and transportation will grow increasingly prominent. However, the difficulties, problems, and conflicts confronting railways are also fairly numerous and urgently await readjustment by legal means in order to ensure the smooth operation of railway transport and construction. The railway law is an important body of law in the state's administration of railways.

The guiding ideology behind the legislation of the railway law is: "The people's railway serves the people and the people love the railway". Accordingly, the railway law not only explicitly spells out the obligations which must be fulfilled by railway transport enterprises while engaging in production and management, but it also clearly stipulates the obligation of each and every citizen, local government, and social organizations to protect railway facilities, safeguard public security and transport safety along the railways, and ensure the smooth construction of railway.

"The people's railway serves the people"—this underlines the railway department's objective to persist in serving the people wholeheartedly. It is necessary to step up management, improve work, and truly realize safety, punctuality, and quality service. Railway employees should conscientiously improve style and service to the high plane of safeguarding the integrity of the law and pay earnest attention to this. Railway departments should use the implementation of the railway law as an opportunity to step up the building of the legal system, insist on administering the railways according to the law, give priority to the quality of passenger and cargo service, transport safety, railway order and discipline, transport efficiency, and correction of the trade's unhealthy practices, and exert great efforts to make major improvements in railway work within a short period of time to satisfy the people and society.

"The people love the people's railway"—this means that all citizens and local governments at all levels should stand on the high plane of invigorating the national and the local economies and support and care for the railways. For a while, the security and discipline in the railways was a fairly serious problem, affecting not only railway transport, but also social stability as well as the country's reputation. The railway law provides explicit regulations regarding the safeguarding of the security and discipline along the railways. Local public security departments and railway security departments at all levels should coordinate with each other closely and deal

a powerful blow to all kinds of criminal activities in order to ensure the normal operation of railway transport.

To meet the demands of economic development, and given the insufficient financial resources of the state, the state has to find every way and means to squeeze out precious capital for the development of railway construction. The railway departments should make careful calculations and budget strictly, economize on investments, and strive to lower the project costs to make the greatest possible use of this capital. All local governments and concerned departments should also exert all efforts to support railway construction. It is absolutely forbidden to support or tolerate acts such as the forced occupation of railway construction sites and indiscriminate raising of local fees which proceed from departmental interest. The soon-to-be implemented railway law made exclusive regulations on railway construction. All localities should act strictly according to the law and assist railway departments in carrying out work like recovery, demolition, and transfer of properties in order to ensure the smooth construction of railways.

The railway law is New China's first important law on the state administration of the railway. It should be implemented earnestly by railway departments, all local governments and the people of the entire country. As long as we insist on "the people's railway serving the people and the people loving the people's railway", the railway industry will develop smoothly, promote national and local economic growth as well as bring many conveniences to the people.

#### **Nagpoi Reviews '17-Article Agreement'**

*HK2904150191 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 19 Apr 91 pp 1,4*

[Article by Ngapoi Ngawang Jigme: "Great Turning Point of Tibet's Historical Development: Commemorating 40th Anniversary of Signing of 'Agreement on Measures for Peaceful Liberation of Tibet'"]

[Text] The 40th anniversary of signing the "Agreement of the Central People's Government and the Local Government of Tibet on Measures for Peaceful Liberation of Tibet", namely, the "17-Article Agreement", falls on 23 May this year. As chief plenipotentiary of the former local government of Tibet who initiated this very agreement, I find all sorts of feelings welling up in my mind, reflecting on the past in the light of the present.

I recall on the day when the talks had just concluded, Comrade Li Weihan, the chief plenipotentiary of the Central People's Government stated: "Everyone present here today has done something beneficial for the Tibetan people and people nationwide. The results of these documents will make themselves more keenly felt as we make further progress. Different changes in the Tibet nationality will take place from now on; you have written something which is epoch-making in Tibetan history." Since then, 40 years have passed. When I recall the

unforgettable days I participated in the talks, and Tibet's progress on the road opened up by the agreement, I have a deeper understanding that the "17-Article Agreement" was the inevitable offspring of historical development and reflected the basic interest and wish of the Tibetan people and the Chinese people of all nationalities. The initialing of the "17-Article Agreement" pushed the solidarity of the Han and Tibetan nationalities and the motherland's unification, to a new stage of historical development and opened up bright prospects for the Tibetan nationality's progress and development. Truly, the historical role and significance of the agreement are "making themselves more keenly felt as we make further progress."

I was born in 1911 and am exactly 80 years old this year. Initialing the "17-Article Agreement" has been one of the most important things in my life experiences and a milestone and basic turning point in my life at that. I had precisely 40 years behind me, and another 40 years ahead, with the initialing of the "17-Article Agreement" as a demarcation line. In the 40 years before the initialing of the agreement, Tibet was under feudal serfdom, being stagnant and in decline. In the succeeding 40 years, Tibet has made continuous progress on the road opened up by the "17-Article Agreement," with earthshaking changes taking place, marked by vigorous vitality and increasing prosperity. The sharp contrast between the first and second four decades, and between old and new Tibet, has vividly illustrated: In our unified multinational country jointly created by all nationalities, a relationship of interdependence and being inseparable from each other has taken shape in the long-term historical development of various nationalities. The road to common progress and prosperity has become an irreversible historical trend. The signing of the "17-Article Agreement" precisely showed following the general trend of historical development. I am happy that I was able to participate in such an undertaking that is in accord with the basic interests of the Tibetan nationality, followed the historical trend, and has withstood the test of time.

## I

Generally speaking, modern Chinese history is one of various nationalities of China uniting to resist, in their joint efforts, imperialist invasions; it is a history woven from the great struggles of various nationalities against imperialist invasions and oppression, with each nationality making its due contribution to the struggles' victory. Since the birth of the CPC, such struggles have been endowed with an explicit goal, which is none other than the striving by all nationalities in China in solidarity to plan for national emancipation and prosperity.

Representatives of the Central People's Government and the Tibet Government held talks on the issue of the peaceful liberation of Tibet 40 years ago. The basic issue to be settled was precisely to drive imperialist aggressive forces out of Tibet, accomplish unification of the Chinese mainland, and realize the great unity of all nationalities in China to enable the Tibetan nationality,

together with other fraternal nationalities, to advance along the road of unity, progress, development, and prosperity in one big family of the motherland characterized by equality, unity, friendliness, and cooperation.

Back in the early 7th Century, in the wake of the great national hero Songzan Gampo unifying the nomadic tribes with the founding of the Tibetan Empire, he established extensive political, economic, and cultural ties with the Tang Dynasty in China's Central Plains; consequently, the close and friendly relations between the Han and the Tibetan nationalities enjoyed great development. During the mid-13th Century, the central government of the Yuan Dynasty unified China; as a result, Tibet became an administrative region under China. Since then, the Tibetan nationality has become a member of the big family of China, which consists of many nationalities. Such condition has continued for more than 700 years to date. The unified situation which took shape after long-term historical development has yielded a powerful rallying force, closely linking the fates of the Tibetan nationality and other fraternal nationalities to that of the motherland, clinging to each other in the ascendant or decline, and sharing honor or disgrace. That was the main current of history. However, since the beginning of modern times, Tibet as well as the motherland were reduced to a semicolonial state due to imperialist invasions, whereas governments of the late Qing, the Northern Warlords, and the Kuomintang implemented a reactionary foreign policy characterized by kowtowing and surrender, while pursuing autocratic oppression domestically. This provided an opportunity for imperialism to sow discord in nationality relations and create national separatism. In the scores of years between the late Qing Dynasty and the founding of the PRC, imperialists launched armed invasions into Tibet; on the other hand, they sowed discord by taking advantage of the Tibetan people's resentment against the Chinese central government for pursuing a policy oppressing minority nationalities and bought over separatists among the Tibetan upper-strata ruling class, while instigating them into pursuing "Tibetan independence" activities in an attempt to separate Tibet from China, while turning it into their vassal state and colony. These evil moves greatly aggravated the Tibetan people's disasters, severely jeopardized relations between Tibet and the motherland, and the patriotic forces inside Tibet were long suppressed.

With the PRC's founding, driving imperialist aggressive forces out of Tibet, realizing unification of China's mainland, and salvaging the Tibetan people, who were in great distress, was the inevitable step with the overall victory of the Chinese people's democratic revolution on the mainland and the common aspirations of people of all nationalities in China, including the Tibetan people. I recall that between 1949 and 1950, when the Chinese people's revolutionary war under the CPC leadership swept across the Mainland, myself and some other upper-strata patriotic personalities, openly proposed to the Kashag [Council of Ministers] the holding of talks

with the Central Government to strive for the peaceful liberation of Tibet. When the CPC and the Central People's Government issued orders to the People's Liberation Army [PLA] to advance into Tibet to consolidate defense in early 1950, they proposed the principle of peaceful liberation of Tibet in view of its historical and realistic conditions to avoid the Tibetan people suffering from the wounds and losses resulting from a war. This principle won the support of Tibetan patriotic personalities and people.

However, the Regent Dazha [1129 2089] and others who were in power in the local government of Tibet failed to send representatives to the peace talks even after stalling for long time. They secretly coerced the Dalai Lama, still a minor aged 15, into exile abroad to conduct activities of separating the motherland under the imperialist shield, to plot and instruct, regardless of the interests of the state and nationality, while amassing forces along Qamdo, establishing defenses, and making arrangements for positions in a vain attempt to forcefully impede the PLA entering Tibet. Under such circumstances, the PLA was compelled to cross the Jinsha Jiang in October 1950 to fulfill the sacred mission of safeguarding the motherland's southwestern border defense. Then the PLA liberated Qamdo and smashed the Tibetan Armed Forces in a single action. Prior to this, on the eve of the liberation of the Jinsha Jiang's east bank, the former local government of Tibet had appointed me in full charge of Qamdo and I sent a letter to the Kashag, appealing for exemption from responsibility, while giving me permission to go east from Qamdo to seek talks with the PLA. But I was not given approval. When Qamdo was liberated I was caught up there in my capacity of governor. Tibetan officials and government workers in Qamdo and I had several talks with leading comrades including Wang Qimei [3769 0366 2734] (Commander and concurrently Political Commissar of the Advanced Unit under the PLA Troops Entering Tibet). We came to understand the CPC policies on nationality and religion and witnessed the exemplary conduct of the PLA implementing the Three Main Rules of Discipline and Eight Points for Attention and had a better understanding of the fact that the Central Government had defined the basic policies and principles for peaceful liberation of Tibet entirely out of consideration of the Tibetan people's interests and the situation of the former local government of Tibet. Thus we wrote a joint letter to the Kashag and the Dalai Lama, relaying the intention of the Central People's Government and Chairman Mao Zedong regarding the peaceful liberation of Tibet, expressing our hope that they would send representatives to hold talks with the central government as quickly as possible. We believed that for the sake of Tibet's own interests, we should refrain from armed resistance and only by carrying out peace talks would it be possible to genuinely benefit the Tibetan people. Soon, the Regent Zazha left office and the Dalai Lama became Tibet's supreme ruler. I was appointed chief plenipotentiary of the Local Government of Tibet and Tudeng Liemen [0960 4098 0441 7024] and Sangpo

Dengzeng-Dunzhu [2718 7324 1073 4098 7319 3796] as representatives, leaving for Beijing directly from Qamdo. At the same time, Kaimo Suoan-wangdui [0418 1075 4792 1344 2489 1018] and Tudan-Danda [0960 0030 2481 6671] were sent from Yadong as representatives to Beijing via India. However, when Tudeng Liemen and Sangpo Dengzen-Dunzhu arrived at Qamdo from Lhasa, they brought the Kashag's instructions on the conditions for talks, which said that the PLA was not to be stationed as Tibet's border defense.

In view of the fact that the peace talks were a matter of importance, whereas the gap between the central principle and the conditions set by the Kashag was wide and would only become an obstacle to the peace talks, I thought it over repeatedly and wrote a report to the Dalai Lama, in which I frankly presented my views. In the report, I set forth my opinions about the Kashag's instructions to the effect: "Under the present circumstances, I am ready to dedicate my life to the ideal in my mind. In my current trip to the Han areas, I shall participate in the talks using all my intelligence. As to the open declaration that 'Tibet is part of China's territory' it implies that the five major nationalities of China are all equal and get along with each other in solidarity and harmony. 'The PLA's advance into Tibet and being stationed at Tibet's border defense' does not in the least mean intervening in Tibet's internal affairs by force; it is because the current world situation is marked by turbulence." "Should we disagree on these two points, there would be nothing else to talk about between the Han and the Tibetan." In April 1951, when we arrived at Beijing, the peace talks started on 29 April, with Li Weihan as the chief plenipotentiary, and Zhang Jingwu, Zhang Guohua, and Sun Zhiyuan as plenipotentiaries of the Central Government. Because the representatives of the two sides shared identical views on the basic problems, such as strengthening unity of the Han and Tibetan nationalities and safeguarding the motherland's unification, the representatives of the Central People's Government gave full consideration to our opinions. The negotiations were conducted in a sincere and cordial atmosphere of full consultation even though there were arguments and differing views on certain issues.

Agreement was reached on all questions concerning the peaceful liberation of Tibet through frank and earnest negotiations and "The Agreement of the Central People's Government and the Local Government of Tibet on Measures for the Peaceful Liberation of Tibet" was sealed on 23 May; its main points were as follows: 1) Drive the imperialist forces out of Tibet and consolidate the unification of the motherland. The Local Tibetan Government will actively assist the PLA in its advance into the region in order to consolidate national defense and the Tibetan Army will be gradually reorganized and integrated into the PLA; 2) Regional national autonomy will be instituted under the leadership of the Central People's Government; 3) Various reforms should be carried out in Tibet. The Local Government of Tibet should implement reform measures of its own accord.

When the people demand, those demands are to be answered and fulfilled through consultations with Tibetan leaders; 4) Solidarity and unity will be achieved within the Tibetan nationality, especially with regards to the Dalai Lama and the Panchen Lama; 5) Implement the policy of religious belief and freedom and respect for the customs and habits of the Tibetan people; and 6) Gradually develop agriculture, animal husbandry, industry, commerce, and culture and education in Tibet and improve the people's living standards in accordance with the realities in Tibet.

In September 1951, I gave an account of the negotiations and the agreement's main points to the conference for representatives and officials of the Local Government of Tibet upon my return to Lhasa, refuting rumors spreading in Lhasa at that time. Through discussions, all the officials participating in the conference spoke highly of our work and expressed their support for the 17-Article Agreement. On 24 October 1951, the Dalai Lama sent a telegram to Chairman Mao Zedong, expressing his full support for the 17-Article Agreement. The telegram reads as follows: "This year, the Local Government of Tibet dispatched five plenipotentiaries, including Ngapoi Ngawang Jigme, to negotiate with the plenipotentiaries appointed by the Central People's Government. They arrived in Beijing at the end of April this year. The representatives of both sides signed the 'Agreement on Measures for the Peaceful Liberation of Tibet' on 23 May 1951, on a cordial basis. The Local Government of Tibet and the Tibetan people, including both monks and laymen, unanimously support the 17-Article Agreement and, under the leadership of Chairman Mao and the Central People's Government, will actively assist the PLA in its advance into Tibet in order to consolidate national defense, drive the imperialist forces out of Tibet, and safeguard the motherland's unification, territorial integrity, and sovereignty." On 26 October 1951, the PLA successfully entered Lhasa and stationed at various important border defense positions under the active support of the Tibetan people, realizing the peaceful liberation of Tibet and the complete unification of China's mainland.

The signing of the "17-Article Agreement" was an epoch-making event in Tibet's historical development, represented perpetual freedom from the yokes of imperialism and aggression for all Tibetans, and completely shattered the imperialist plot designed to split China; it also marked the great unity of all the nationalities of China, including the Tibetans, under entirely new historical conditions. In his toast at the banquet to celebrate the initialing of the agreement on 23 May 1951, Chairman Mao Zedong stated: "The relations between various nationalities in China over the past several hundred years have been marked by disunity, especially the disunity between the Han and Tibetan nationalities, and also with disunity inside Tibet itself. This was the consequence of the reactionary rule of the Qing government and Chiang Kai-shek and the discord sowed by imperialism. Now, the forces under the Dalai Lama's

leadership, those under Bainqen Erdini Qoigyi Gyaincain, and the Central People's Government are united. This was attained only after the Chinese people succeeded in overthrowing imperialism and China's reactionary rule. ...From now on, all our nationalities will develop and progress in all fields, political, economic, and cultural, on such a basis of unity."

## II

The four decades of Tibet's social progress in various aspects are proof positive that the "17-Article Agreement" brought about a bright future for the Tibetan nationality. However, the accomplishment of all these development and progress was made only after going through complicated struggles. Generally speaking, these struggles centered around whether or not the various basic principles stipulated in the "17-Article Agreement" were to be implemented. The 1952 Pseudo People's Assembly Incident, the Mimang Tsongdu [an underground organization] Incident, the founding of the rebellious "National Volunteer Defense Army [NVDA]" in 1957, and eventually the all-around revolt in 1959 were all expressions of such struggles. The foci of the struggles were: Safeguarding the motherland's unification against splitting the motherland and implementing reform of the social system against opposition to such reform. Safeguarding the motherland's unification and implementing reform of the social system are precisely the important principles stipulated in the "17-Article Agreement." To implement the basic principles stipulated in the "17-Article Agreement" through negotiations, the central authorities gave full consideration to Tibet's particular conditions and adopted extremely meticulous measures. In the early days of Tibet's peaceful liberation, the central authorities determined a guiding principle of "prudence and gradual and steady progress" concerning work in Tibet. The PLA troops and Central Government workers entering Tibet strictly abided by the "17-Article Agreement," doing voluminous arduous and careful work with patience to win over, unite, and educate the upper strata and taking an active part in influencing the masses. On the other hand, they tolerated and waited for the consciousness of personalities of the upper strata, while refraining from mobilizing the masses to pursue class struggle, hoping to gradually realize the reform of Tibet's social system in a peaceful way. In 1956, when socialist reform was basically completed in other regions in China, the central authorities explicitly announced: Democratic reform will not be conducted in Tibet during the Second Five-Year Plan; as to when it will be conducted, the matter will be left to negotiations between Tibet's upper strata and the people according to future conditions.

When the Central Committee and Chairman Mao made the aforesaid decision, I was accompanying the Dalai Lama to participate in the activities marking the 2,500th anniversary of Sakyamuni's nirvana. When Premier Zhou Enlai visited India in January 1957, he personally delivered a handwritten letter from Chairman Mao to the Dalai Lama, while relaying the central decision in

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question to the Dalai Lama in a lengthy heart-to-heart talk with him. He patiently gave him comprehensive explanations on work regarding Tibet and earnestly listened to the Dalai Lama's opinions. Many officials in the Dalai Lama's entourage earnestly discussed Premier Zhou Enlai's talks and believed that the general conditions were sound regarding central personnel earnestly implementing the "17-Article Agreement" between Tibet's peaceful liberation and 1956 and we had nothing to say about that. However, in the democratic reform in Xikang and Tibetan areas in Gansu and Qinghai, there had been some improper practices to which we hoped the central authorities would pay attention. Premier Zhou adopted our suggestion. Reviewing this incident, people may see the sincerity of the Central People's Government in its concern for the Tibetans.

However, some people in the upper strata of the ruling group in Tibet considered the efforts by the Central Authorities to ensure peaceful reform in Tibet as being weak, easy, and ineffective. Colluding with foreign imperialists, they were opposed to the reform and implementation of the "17-Article Agreement." They went so far as to plot "Tibetan independence" and eventually staged an overall armed rebellion in March 1959 in complete violation of the "17-Article Agreement." This capricious attitude and perverse action created indignation amongst the masses of Tibetan serfs and slaves, and patriots from the upper classes, who strongly demanded quelling the rebellion as quickly as possible and implementing democratic reform. At their just request, the central authorities promptly decided the principle of quelling the revolt while implementing democratic reform; thus, a mass movement of democratic reform was rapidly mobilized and swept the Tibetan Plateau. Although the armed rebellion staged by the Tibetan reactionary upper classes completely violated the "17-Article Agreement," the central authorities still adhered to the principle of peaceful reform and adopted a policy of dealing with each case on its merits, by combining from-top-to-grass roots democratic negotiations with mobilizing the masses from grass roots to the top. A policy was adopted by which only the production means of slaveowners who had taken part in the rebellion were confiscated, while a policy of redemption was adopted regarding the production means of those slaveowners who had not participated in the rebellion, namely, the state would purchase the production means of those slave-owners who had not participated in the rebellion at reasonable prices to be distributed to the serfs and slaves. Concerning the democratic reform of monasteries, the principle of separating politics and religion was adhered to; on one hand, the monasteries' special feudal privileges of exploitation and oppression were resolutely abolished; on the other, the policy of religious freedom was adhered to, while showing respect for and protecting the citizen's right to religious freedom. The series of correct central policies were popular among the people and won the warm support of the masses and patriots. In a very short period, historical victory was scored in

quelling the rebellion and reform, with serfdom overthrown and the emancipation of a million serfs. Thus, Tibetan society had entered upon a brand new development stage along with a great emancipation of its productive forces, a great development in agricultural and animal husbandry production, and improvement in people's living standards. This was a great social change and an inevitability in historical development. By then, the Tibetan people had for the first time in history became the masters of the state and society and grasped their own fate.

For a long time, Tibetan society had been one of feudal serfdom and social production means were totally in the possession of the serf owners. The serfs and slaves had none of the production means under their names, not even their personal freedom. They suffered from exploitation and oppression, hunger and cold, and had no means of subsistence, while the social productive forces had been gravely restricted, waning with each passing day. I recall on many occasions during the 1940's, talking with some bosom friends about the crisis of the old society in Tibet. We all believed that should things go on unchanged in the old way, it would not take very long for all the serfs to perish. Then there would be no way for the nobles to survive and the entire society would collapse. This being the case, the democratic reform emancipated the serfs and the productive forces, at the same time, salvaged the entity of Tibet. That was actually a basic turning point for Tibet to advance to prosperity from decline under the guidance of the basic principles of the "17-Article Agreement."

Another basic principle and policy explicitly stipulated in the "17-Article Agreement" was to implement nationality regional autonomy in Tibet. To realize this basic policy, the central authorities had likewise exerted unremitting efforts with great patience. In the wake of the Dalai Lama, the great master Bainqen and other deputies from Tibet participated in the First National People's Congress in 1954, Chairman Mao Zedong proposed that the Military and Political Committee be disbanded in Tibet with a Preparatory Committee for Tibet Autonomous Region taking its place to make preparations for the founding of an official autonomous region. Through ample negotiations by Tibetan representatives from various aspects in Beijing at that time, a report concerning the founding of a Preparatory Committee for Tibet Autonomous Region was submitted to the State Council. This report was approved by the Seventh Enlarged Session of the State Council, which Premier Zhou Enlai personally presided over. Consequently, the Preparatory Committee for Tibet Autonomous Region was founded on 22 April 1956, with the Dalai Lama as Chairman, the Great Master Bainqen as First Vice Chairman, while many personalities from the upper classes, officials from monks and laymen in the former Local Government of Tibet, the Bainqen Lama's Council of Kenbo, and Qamdo Committee of Liberation took office in the Preparatory Committee for Tibet Autonomous Region;

some of these were members and others became responsible persons or workers in various departments under the committee, while enjoying excellent pay and benefits.

To my understanding, the central intention was to temper, transform, and cultivate the original officials from the nobility into government workers, to conduct peaceful transformation of Tibet's old government, and make preparations for its peaceful transition to a people's government. The central intention had not been fully realized simply because of the interference and sabotage by the reactionary upper classes; consequently, the Tibet Autonomous Region was late in its founding. In the wake of the armed rebellion staged by reactionary upper classes in 1959, the State Council issued an order disbanding the original Local Government of Tibet, with the Preparatory Committee for Tibet Autonomous Region exercising the power of the Local Government of Tibet. By then, Tibet had entered upon an era with its people in power. In the following six years, the Preparatory Committee for Tibet Autonomous Region did voluminous outstanding effective work in bringing along Tibetan cadres; setting up, completing, and perfecting people's government at all levels; consolidating and developing the fruits of quelling the rebellion and democratic reform; developing production and conducting key economic construction projects; and developing cultural, educational, medical, and public health undertakings. On that basis, Tibet Autonomous Region was officially founded in September 1965. That was another great historical accomplishment of Tibet made under the guidance of the basic principles stipulated in the "17-Article Agreement."

Over the past four decades, Tibet has made a series of political, economic, and cultural accomplishments in socialist construction under the CPC leadership with support from people nationwide and the close solidarity and joint efforts of cadres and people of various nationalities in Tibet and the PLA stationed in Tibet. Regarding the building of socialist democracy and the legal system, the Regional People's Congress and its standing committee have formulated over 20 regional decrees involving government building, socioeconomic development, marriage, education, oral and written language, judicature, natural resources, and environmental protection. The formulation and implementation of these regional decrees have provided legal protection for the Tibetan people in exercising autonomy as Tibet's masters. Marked accomplishments have been scored in government building and bringing up nationality cadres. Today, a contingent of cadres with Tibetans as the main body has taken shape. A large number of cadres of Tibetan and other nationalities are in leading posts at all levels, with the top leadership posts of the local people's congresses and governments entirely occupied by Tibetans. By 1989, officials from ethnic groups accounted for over 66 percent of the total leadership at all levels in the autonomous region. The accomplishments in social production and economic construction

are equally great. By 1990, gross output of grain was 555 million kg, up 2.58 times since 1952; livestock numbered 22.8 million head, up by 1.34 time from 1952; and the annual output value for agriculture and animal husbandry products rose to over 789 million yuan in 1990 from 183 million yuan in 1952. The region started from scratch with its modern industry, which has been growing, with 263 medium and small enterprises already built, including electronic, textiles, timber, building materials, foodstuff processing, and mining industries, and its nationality handicraft industry has also made great progress. A highway network has been completed with Lhasa as its center, with a total of 21,800 km. Air routes from Lhasa to Beijing, Chengdu, Guangzhou, and Kathmandu have been opened. The state has also invested huge sums in building the 1,080-km Golmu-Lhasa oil pipeline, at the world highest point above sea level. Great progress has also been made in the region's cultural, educational, medical, and public health undertakings. The autonomous region now boasts over 2,390 primary schools, 83 middle schools and secondary vocational technical schools, and four institutes of higher learning. The region's schools have a total enrollment of more than 170,000 students. A contingent of 1,500 specialists in Tibetan medicine have been trained to work in the region's well-equipped hospitals. Four classical works on Tibetan medicines have been published in the Tibetan, Han (Chinese), and English languages, and have been distributed both at home and abroad.

With the development in economic and cultural construction, the Tibetan people enjoy marked improvement in their living standards. In 1990 the per capita grain possession by peasants and herders was double that before liberation, with a per capita annual income of 430 yuan. The problem of acquiring enough food and clothing has been basically resolved for the overwhelming majority.

In line with improved living standards and medical care, the health level and baby survival rate have been markedly improved. The Tibetan population increased to 2.09 million in 1990 from 1.05 million in 1951. The Tibetan nationality accounts for 95.4 percent of Tibet's population. The average life span for Tibetans has increased from 35 years in early 1950 to over 65 at present. All these changes and developments are incomparable with old Tibet.

### III.

In the 40-year practice of revolution and construction since Tibet's peaceful liberation, I believe, the following experiences are worthy of adhering to and attention in work concerning Tibet from now on.

#### **1. Unification of the motherland and solidarity of nationalities are the basic guarantee for Tibet's progress and prosperity.**

The first article of the "17-Article Agreement" explicitly stipulated: "The Tibetan people shall be united and

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drive the imperialist aggressive forces out of Tibet and the Tibetan people shall return to the big family of the motherland—the PRC."

From my personal experiences in the 4 decades before and 4 decades since the peaceful liberation of Tibet, I have formed a clear picture that the Tibetan people had long been in the abyss of slavery and suffering and Tibetan society was on the brink of collapse. Progress and development were out of the question, while the motherland's unity and national solidarity were gravely jeopardized as a result of imperialist invasion and the national separation activities under imperialist support. But, under the guidance of the "17-Article Agreement," imperialist aggressive forces were driven out and the motherland's unification and national solidarity firmly safeguarded. Tibet has scored tremendous eyecatching accomplishments in the short span of 40 years. That is an irresistible historical torrent independent of people's will. However, those people and forces wanting to pursue "Tibetan independence" and jeopardize the motherland's unification, have continued their efforts to conduct separatist activities. The struggle between separatism and antiseparatism has taken place in the past, is under way today, and will continue in the days to come; this is a long-term complicated struggle. Regarding this, we must have ample understanding and mental preparation. It is vitally important for us to resolutely safeguard the motherland's unification and national solidarity and carry out the struggle against separatism through to the end. Only then, will it be possible to guarantee the common development, prosperity, and continuous progress of the Tibetan with other fraternal nationalities in the big family of the motherland.

We must stress here that building Tibet is inseparable from the brotherly help and support of the Han and other fraternal nationalities. Even though Tibet enjoys greater development in the future, it will continue to need such help and support. This is also an inherent significance of safeguarding the motherland's unification and national solidarity.

## **2. Tibet Will Enjoy Bright Prospects Only by Taking the Socialist Road Under the CPC Leadership.**

My knowledge and understanding of the CPC began with Tibet's peaceful liberation. My 40-year experiences have enabled me to have a deep understanding that the CPC is a party that genuinely plans for the Tibetans' happiness; proletarian revolutionaries of the older generation, headed by Chairman Mao Zedong and Premier Zhou Enlai, and the leading members of the second and third generations with Comrades Deng Xiaoping and Jiang Zemin as the core, have attached great importance and given personal guidance to work concerning Tibet, while showing cordial concern for the progress and prosperity of the Tibetan nationality. With the exception of the turmoil during the "Cultural Revolution," the various principles and policies on Tibet formulated by the party in various periods have been correct, in line with the objective law governing Tibet's social development, and

reflected the basic interests of people of all nationalities in Tibet. It is precisely because of this that brilliant accomplishments have been scored in implementing those principles and policies, bringing about earthshaking changes in Tibet with the previously impoverished and backward Tibet replaced by the socialist new Tibet. Serfs and slaves in the old days, who used to be deprived of their right to live like human beings are now fully enjoying various democratic rights and mastering their own fate, while building an increasingly beautiful life with their own intelligence, wisdom, and diligent labor. Without the CPC, there would not have been a socialist new Tibet. Without socialism, there would not have been the progress and happy lives of the Tibetan people. This is a truth that practice has proved.

## **3. We must acquire a correct and comprehensive understanding of Tibet; starting from Tibet's actual conditions in everything is the ideological line and work method that must be adhered to for a long time in work concerning Tibet.**

Tibet is a component of the PRC and the Tibetan nationality is a fine member of the Chinese nation. The Tibetan nationality made outstanding contributions to opening up the motherland's territory, resisting foreign invasion, and creating the motherland's brilliant culture. In the course of long-term historical development, the Tibetan and other nationalities nationwide shaped their inseparable relations. This is historical fact as well as the general character of the Chinese nation. However, Tibet has rather great peculiarities regarding its nationality and religion, cultural tradition, habits and custom, psychological qualities, and its geographical environment and natural conditions. This being the case, in work concerning Tibet, a correct understanding of and grasp of the relationship between the generality and individuality, adherence to the ideological line of seeking truth from fact, and starting from the actual conditions in everything is an important principle that must be understood to do a good job. Back in the early 1950's, the Central Committee and Chairman Mao formulated the guiding principle of "prudence and gradual and steady progress" concerning work in Tibet. This important idea primarily found expression between the lines of the "17-Article Agreement" and ran through the whole course of developing work in various aspects in implementing the agreement.

While defining the principle that the Tibetan social system must undergo reform, the "17-Article Agreement" also set out that the Dalai Lama's original status and functions, and Tibet's political system at that time, would remain unchanged within a certain period, while all reforms in Tibet should be carried out through negotiations with Tibet's leading members. In 1956, the Central Committee and Chairman Mao pointed out again that reforms in Tibet should not be conducted rashly. When quelling the rebellion and reform in 1959, the policy of redemption was implemented with regards to those slaveowners and their agents who had not

participated in the rebellion. In 1961, the central authorities formulated the principle of steady development aimed at some cadre's idea of organizing cooperatives in a hurry, while giving an instruction to Tibet that no socialist transformation, cooperatives, and people's communes, not even their experiments, were to be pursued in the following five years so that the Tibetan people, who had just been emancipated, might rest and recuperate, develop production, and improve their living standards. The series of instructions and principles started from Tibet's actual conditions. However, in the 10-year "Great Cultural Revolution," the central correct principles and policies concerning work in Tibet were gravely interfered with and jeopardized; consequently, Tibet suffered calamities like other provinces and cities in the country.

Since the Third Plenary Session of the 11th CPC Central Committee, the CPC has reestablished the ideological line of seeking truth from facts, while formulating and adopting a series of particular policies and flexible measures based on Tibet's actual conditions, thus giving great play to the initiatives of people of all circles and nationalities in Tibet and promoting Tibet's prosperity and development. Despite the interferences by a small number of separatists in recent years, the Central Committee's principles and policies concerning work in Tibet remain unchanged. This is a sign of the deepening in understanding and maturity of our party regarding work in Tibet. I am deeply comforted and pleased with this. I am firm in the belief that so long as we always bear our historical lessons in mind, strictly implement the principles and policies concerning Tibet formulated by the Central Committee, and adhere to the principle of starting from Tibet's actual conditions, still greater accomplishments will inevitably be scored in all work in Tibet.

**Official Says Foreign Press Not Welcome in Tibet**  
HK0605112091 Hong Kong AFP in English 1057 GMT 6 May 91

[Text] Beijing, May 6 (AFP)—A Chinese official said Monday the foreign media would not be allowed to visit Tibet for celebrations later this month of the 40th anniversary of its "peaceful liberation" by the Chinese army.

"The majority of foreign journalists are friendly to Tibet, but some foreign journalists have distorted facts after they visited Tibet," said Zhou Jia, deputy minister of the State Nationalities Affairs Commission, at a press conference.

"Anyone is welcome to visit Tibet but Tibetans welcome friends and not people without goodness," he added.

He was answering questions on whether foreign journalists accredited in China would be able to go to Tibet during the May 23 celebrations to see for themselves the much vaunted major developments in the region in the last four decades.

Since martial law was lifted in the Tibetan capital Lhasa in 1990 only a few individual authorisations have been given.

Mr. Zhou was commenting after the screening of three propaganda films for Chinese and foreign journalists on the improvements in Tibet since the local authorities signed an accord with Beijing May 23, 1951.

All the major news organisations accredited in Beijing have sent in requests for visits to Tibet, but have yet to receive any reply.

Mr. Zhou added that "under the pretext of tourism, some foreigners told Tibetan youths how to set fires" and protect themselves from tear gas.

Chinese authorities fear the celebrations will lead to rioting, particularly in Lhasa where Buddhist monks and nuns are spearheading a separatist movement.

Local press reports have said police surveillance in the capital has been reinforced.

#### Past Violence in Tibetan Religious Festival Noted

OW0305103291 Beijing XINHUA in English  
1014 GMT 3 May 91

[ "Tibet's Today and Yesterday Backgrounder: Monlam in Lhasa"—XINHUA Headline]

[Text] Beijing, May 3 (XINHUA)—The Monlam, or grand summons ceremony, is a major religious event that takes place in Lhasa once a year.

It was first instituted by Tsong-kha-pa who, in 1409, or the seventh year of the reign of Emperor Yongle of the Ming Dynasty, founded the Yellow Sect of Tibetan Buddhism and began construction of the Gandain Monastery, of which he became the first abbot. Thereafter, the grand summons ceremony has always been presided over by the abbot of Gandain Monastery.

The Fifth Dalai Lama set the date for the ceremony on the third through 25th of the first month of each year according to the Tibetan calendar. He also decided that during the Monlam, lamas from the Drepung Monastery would take over the administrative power of Lhasa and have the prerogative to wilfully punish citizens and solicit them for money. Apart from lectures, exams and debates on Buddhist doctrines and paying homage to the deities, he added such activities as butter lamp shows, horse races and archery.

The Monlam continued as an annual religious affair after Tibet's peaceful liberation, but the democratic reform stripped the Drepung Lamas of the power to temporarily run the city and extort money from the local people. Instead, film shows and various kinds of exhibitions became the new features.

The grand summons ceremony was suspended with the outbreak of the "Cultural Revolution" in 1966, but was

restored ten years later in response to the request of the local religious followers. Disturbances occurred in the ceremony's closing days in 1988 and again in 1989, as a result of the premeditated incitement by a tiny number of separatists. By their actions, they not only violated the law but also went against the code of conduct prescribed in Lamaist Sutras and the interests and wishes of the clerical and lay people of Tibet.

### Work Force Develops New Characteristics

OW0205084591 Beijing XINHUA Domestic Service  
in Chinese 0756 GMT 29 Apr 91

[By XINHUA reporter Wu Shishen (0702 1102 3234)  
and correspondent Song Changqing (1345 7022 7230)]

[Text] Beijing, 29 April (XINHUA)—The total of nation's workers has increased from 123 million to 140 million in the last five years, following a large increase of new work force's joining the main force of our socialist construction. The structure and quality of the work force have also undergone five gratifying transformations.

The entire work force has increased at a quicker rate than that of the collective work force of cities and towns. At the end of 1990, state-owned units had a total of 103 million workers and collective units in cities and towns had a total of some 35 million, representing an annual average growth rate of 3.8 percent and 1.3 percent respectively in the last five years. The increase of collective workers in cities and towns has decreased significantly from that of the Sixth Five-Year Plan period, and is now at a comparatively stable situation. Due to stiff market competition in recent years, some collective enterprises experienced growth difficulties. Some of these enterprises were merged with or taken over by state-owned enterprises or have entered into joint ventures with other enterprises. As a result, the growth of the sector's work force slowed down.

Contract workers are the life force behind enterprises' productivity. As the implementation of labor reform deepened, the number of the entire nation's contract workers increased from 13.7 million to 17.02 million over five years. The proportion of contract workers in state-owned units rose to a total of 13.3 percent, while the proportion of permanent workers dropped 7.9 percent. The use of supplementary workers that were not planned for has also reduced significantly. Such transformations in the work force indicate that a new labor system suitable for China's national condition is currently being formed.

The number of female workers has increased more than that of male workers. Presently, there are three female workers in about every eight workers throughout the nation, and the total number of female workers is close to 53 million. The increase of female workers is 0.5 percent more than that of the total work force. The development of new trades and industries and the improvement of work conditions have created more job opportunities and positions for women.

The number of tertiary industry workers has increased significantly. There are currently 6.36 million workers employed in tertiary industries throughout the nation, representing 42.9 percent of the total work force. The proportion of tertiary industry workers increased 1.9 percent from that of five years ago, while the proportion of primary and secondary industry workers is decreasing. Tertiary industry workers in commerce, finance and insurance industries, cultural and education work, scientific research and technical service industries increased at a quicker pace. The tertiary industry is quickly becoming an important channel for the cities and towns' work force.

The work force is getting younger, and its political and cultural level have been significantly improved. According to a sampling survey conducted by the State Statistical Bureau, the average age of the entire nation's work force in 1990 was 35.2 years old with an average 9.1 years of education. This is an improvement from that of five years ago. The proportion of workers with education above high-school level has exceeded 40 percent, and approximately one-third of the workers are either CPC party members or Communist Youth League members.

### Urban Labor Force Management Improved

HK0205033191 Beijing CHINA DAILY in English  
2 May 91 p 1

[By staff reporter Xiao Li]

[Text] The Chinese Government has improved the management of the country's huge urban labour force since the beginning of the year, the State Statistical Bureau announced in a report released on Monday.

The country has successfully handled problems including employment, the structure and quality of the work force, and retirement benefits, the report said.

During the past five years, China's total urban work force has expanded from 123 million to 140 million, an increase of 17 million which is equivalent to the total population of some countries.

Official statistics show that the country's urban unemployment rate was 2.6 percent by the end of last year, and some domestic analysts now estimate the total number of unemployed in China's urban areas at less than 5 million.

China has been largely depending on the State-owned enterprises to provide jobs for new job-seekers. Built up since the 1950s and continually strengthened through heavy State investment, the country's State-owned enterprises currently employ about 103 million workers, far ahead of the collectively-run and privately-owned firms and the newer Sino-foreign joint ventures.

Through the programme to reform the country's labour employment system, which began in 1986, the government has encouraged contract employment to supplant the former practice of life-tenure jobs.

According to the statistical bureau, 17.02 million workers have now signed contracts with State-owned enterprises, this figure accounts for 13.3 percent of the total employees in such firms.

Statistical bureau officials said that from now on all urban job-seekers, except university graduates and discharged army servicemen, would have to sign job contracts with their employers.

### **Tap Water Supplied to Rural Residents**

*OW0205042191 Beijing XINHUA in English  
0212 GMT 2 May 91*

[Text] Xian, May 2 (XINHUA)—When the film "Old Well" was first shown to the public in 1987 people were shocked at the agony of farmers in their search for water.

To farmers living in mountainous areas, water is as important as grain—or even more important in some cases.

But recent statistics from the Rural Bureau of the Ministry of Construction show that now some 170 million rural residents are using tap water, constituting 21 percent of the total number of China's rural residents.

Tap water facilities have been installed in 350,000 villages, according to the statistics.

Starting in the early 1980s, with the implementation of the economic reform and open policy, farmers' incomes and living standards have been improved, including access to clean piped water.

In the past ten years, the central government and local water conservancy and construction departments have invested several billion yuan to help farmers install tap water facilities.

Many rich villages also have started to construct water projects with their own funds.

A good example is Shijiehe township in Xishan County, Henan Province. In 1984 it mobilized farmers to donate 20 yuan per person, collecting a total of 210,000 yuan to lay 7.24 km of water pipes. As a result, the more than 8,500 farmers in the township are now able to drink clean tap water.

In the early stages of development of tap water in rural areas, most of the facilities are simple and small-sized. But in the past few years more and more large water projects have been constructed, with the level of water supply very near to that of the cities.

The Weiwei water-supply project in Shaanxi Province, which has just been completed, cost 18.3 million yuan,

involving the construction of four deep wells, nine pumping stations and 233 km of pipelines.

The project covers an area of more than 200 sq km, benefiting 100,000 residents in 89 villages.

An official from the Ministry of Water Conservancy said that tap water has greatly promoted the economic development in rural areas.

Tap water has also enabled farmers to use washing machines and build shower rooms, and their courtyards are commonly decorated with colorful flowers.

### **Economic & Agricultural**

#### **Chen Jinhua Details New Economic System**

*HK0205083191 Beijing ZHONGGUO JINGJI TIZHI GAIGE in Chinese No 3, 23 Mar 91 pp 13-23*

[Article by Chen Jinhua (7115 6930 5478): "Progressively Establish a New Socialist Planned Commodity Economy System"]

[Text] According to the general requirement for building socialism with Chinese characteristics, the CPC Central Committee Proposals for Drawing-Up the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development (hereinafter referred to as "Proposal") adopted by the 13th CPC Central Committee's Seventh Plenary Session have set the targets and basic guiding principles for the next 10 years; the Eighth Five-Year Plan forwarded the scheme and measures for deepening the reform and expanding the process of opening up to the outside world, and the general goal of basically establishing a socialist planned commodity economic system in 10 years. Now our priority task is to give shape to the reform plan embodied in the CPC Central Committee's "Proposal" and have it implemented in our practical work.

#### **Basic Goals and Guiding Principles of Economic Structural Reform in the 1990's**

Thanks to the efforts by the ~~entire~~ party and all the Chinese people in the past two years, results marking successful economic improvement and rectification have been scored. China's economic situation has been developing along the right track, and what is particularly noteworthy is that inflation has been brought under control; the price index has declined by a wide margin; bumper harvests were reaped; and economic, political, and social stability has been maintained. This development has been spoken of positively and favorably both at home and abroad. The economic improvement and rectification operation has created a relatively relaxed macroeconomic environment for the reform's in-depth development, which has in turn expedited the economic improvement and rectification operation and led to a steady economic recovery. The economic improvement and rectification operation, the reform's in-depth development, and steady recovery are helping each other

forward and complement each other. Practice has shown that the CPC central authorities' principles, which are completely correct, have laid down a new foundation for the in-depth reform and the expansion of the process of opening up to the outside world for the 1990's.

The 1990's will be a very crucial decade in China's economic development. The party's central authorities urged us to adhere to the party's basic line, stick to economic construction as a central task, uphold the four cardinal principles, persist in reform and opening up, accelerate development of the party, be brave in blazing new trails, strive to redouble China's GNP, and raise the living standards to a well-to-do level, to ensure a perpetual political stability in this country, to reinvigorate the Chinese nation, and to consolidate and develop the socialist system. The 13th CPC Central Committee's Seventh Plenary Session emphatically pointed out that in order to smoothly realize the second-step strategic goal of developing the national economy, it is vitally important to continue to steadfastly implement the reform and open policy. We must hold high the banner of reform and opening up; combining reform with development; promote development with reform; deepen reform in the course of development; and facilitate the national economy's sustained, steady, and coordinated growth.

With regard to the orientation and goal of the economic structure's reform, the "CPC Central Committee Proposals for Drawing-Up the Seventh Five-Year Plan for National Economic and Social Development" had expressly suggested that a framework of the new planned commodity economy system be built up through in-depth reform in a relatively short period. The "Proposal" adopted by the 13th CPC Central Committee's Seventh Plenary Session, more definitely proposed that in the next decade, a new socialist planned commodity economic system should be established, and an economic operating mechanism which integrates the planned economy with market regulation should be built up as well. This is the basic direction for deepening economic structural reform, a continuation and development of the general guideline of reform and opening up that has been implemented since the 11th CPC Central Committee's Third Plenary Session, and the economic and social development program for establishing socialism with Chinese characteristics.

According to the basic tasks, principles, and policies laid down in the "Proposals" for the next decade, the general objective for deepening economic structural reform in the 1990's is to initially build up a new socialist planned commodity economy structure and an economic operating mechanism which integrates the planned economy and market regulation. With this general objective in mind, we should carry out the following five interrelated main tasks in the next 5-10 years:

First, we should establish an ownership system with socialist public ownership as the predominant force and diverse economic sectors developing alongside

Second, we should establish a system of enterprises which will suit the development of a large-scale socialized production. Except for a small number of noncompetitive enterprises, all enterprises should become competitive enterprises with the capacity for self-management, responsibility for profits and losses, self-development, and self-restraint. They should become commodity producers and dealers, imbued with vigor and vitality and operating according to standard procedures.

Third, we should establish a unified and open socialist market system with complete rules and regulations for fair competition. The state will continue to set the prices of a few important commodities and services vital to the national economy and the people's livelihood. Meanwhile, production and circulation of other commodities will be open and subject to market regulation under the guidance of planning.

Fourth, we should establish a two-tier macroeconomic regulation and control system at the central, provincial, autonomous regional, and municipal levels which combines direct and indirect regulation and control, with indirect and central regulation and control as the main forms.

Fifth, we should establish a system for distributing individual incomes, with distribution according to labor as the main body supplemented by other distribution methods, and a social security system.

In accordance with the above demand, we should grasp five basic principles in reforming the economic structure in the 1990's. At the core of the principles is that, throughout the entire process of reform, we should adhere to the basic line of building socialism with Chinese characteristics and the reform's socialist orientation, and should persistently proceed from China's national conditions in correctly handling relationships between reform and development, between reform and opening up, and between reform and stability.

—We should adhere to the socialist orientation of reform. In China, the reform is carried out under CPC leadership. It is a process of self-improvement and development of the socialist system to give full play to the socialist system's superiority, promote the development of social productive forces and the comprehensive social improvement, increase our composite national strength, and improve the living standards. Both domestic practice and overseas experience have shown that reform and opening up is imperative; and, without keeping in line with a correct orientation, reform and opening up would be out of the question. In the days to come, in reform we should not only make sure that specific adopted reform measures and methods are scientific and feasible, but should also always stick to reform's socialist orientation. We should never take the road of capitalism, which is based on private ownership. We must conscientiously understand, resolutely implement, and apply and develop in practice the 12 basic principles generalized

by the central authorities in the "Proposals" with regard to the basic theory and practice of building socialism with Chinese characteristics. As far as adherence to the socialist orientation in the economic structure's reform is concerned, we should pay close attention to the following issues:

First, we should develop diverse sectors of the economy while upholding public ownership as the main form of ownership. Statistics for 1990 show that, of the gross industrial output value, enterprises under the ownership of all the people contributed 56 percent; collective-run enterprises contributed 35.4 percent; while individual households, private enterprises, and enterprises run with foreign capital, Overseas Chinese capital, and with both Chinese and foreign capital account for 8.6 percent. Under such a socioeconomic structure, in order to persistently safeguard the socialist public ownership's leading role and make enterprises under the ownership by the whole people really serve as the backbone and basis of the socialist economy, we must formulate some policies and measures that will really ensure that the enterprises can operate on their own and can assume full responsibility for their profits and deficits. It is necessary to explore various effective forms for realizing socialist public ownership through reform. The state and various localities must create conditions in their policies and investment environment for carrying out competition on an equal basis and must support the enterprises owned by the whole people to give play to their superiorities and play their leading roles. While appropriately developing the individual and private sectors of the economy and enterprises run with "the three kinds of capital," it is necessary to strengthen guidance, supervision, and management for them so their advantages can be developed and their defects can be overcome and so that they can really become helpful supplements to the socialist economy under public ownership.

Second, we should develop various distribution methods while upholding the distribution method according to labor as the main form. At present, the distributions among the enterprises under different ownerships and among various trades are not fair enough. Within the enterprises, the phenomenon of "everybody eating from the same big pot" has not yet been eliminated. In some enterprises, egalitarianism has even developed. In the future, it is necessary to make continuous efforts to improve the method of linking the total wages to economic returns in accordance with the principle of distribution according to labor and gradually adopt a distribution system mainly based on technological skill, labor intensity, and contributions. In party and government organs and institutions, it is necessary to gradually establish a wage system in light of their specific characteristics, which is disconnected from the wage system adopted by enterprises. It is necessary to readjust the wage income structure and gradually insert some subsidies in the nature of welfare into the basic wage through reform of the price, housing, medical, and insurance systems. It is necessary to practice a personal income

declaring system and increase personal income's transparency. Tax collection and control and the supervision by the industrial and commercial administrative departments over individuals engaged in industrial and commercial businesses and owners of private enterprises should be strengthened. The administrative and legal departments must establish an effective supervision mechanism, check their personnel strictly, and resolutely oppose the unhealthy practice of taking advantage of one's power to seek private gains.

Third, we should persist in taking the road leading to common prosperity. It is necessary to continue to implement the policy of allowing and supporting some individuals and areas to become prosperous before others through honest labor and lawful businesses. Socialism does not mean poverty. Similarly, poverty of the majority with a prosperous few does not spell socialism either. The urban and rural residents' lawful income must be protected. As to some people's unduly high earnings, they should be appropriately readjusted by means of tax levies, such as the personal income, inheritance, and gift taxes. The illegitimate earnings should be confiscated according to the law.

—We should persistently proceed from China's national conditions. Both the revolution in China and the socialist construction over the past 40 years, especially the great achievements made in the past 12 years in the reform and opening up, have fully proved that everything that is to be done in China—revolution, economic construction, or economic reform—must be based on the country's actual circumstances. Therefore, in presenting the idea of socialism with Chinese characteristics, Comrade Deng Xiaoping meant to uphold the ideological line of integrating Marxism-Leninism with China's reality and seeking truth from facts. Our country is big, has a large population, and is developing in the initial stage of socialism. It differs from foreign countries in many fields, including development level, economic structure, traditional culture, and so forth. We can take as our reference the advanced science and technology level and the experience of organizing and managing socialized mass production. However, they must suit our national conditions and suit the actual demands of various areas and at various levels. We should not mechanically copy their experience. We must resolutely resist all the degenerate ideas from the West. In our country, economic development, especially the commodity economy's development, is uneven in various areas. There are great differences among them, including the quality of cadres and social environment. This situation will continue to exist for a long time. Thus, in our reform, it is necessary to adhere to the principles of seeking truth from facts, proceeding from the reality in all cases, and not being overanxious for quick results. On the other hand, it is also necessary to pay attention to the changes in both the international and domestic situations so that we can understand the urgency of reform; enhance our sense of reform; take the difficult points in our economic life as the targets and subjects

of our reform; and make positive explorations and bold practices to find a way to overcome our difficulties through reform and to promote our national economy's sustained, steady, and harmonious development.

—We should correctly handle the relationship between reform on the one hand and development and stability on the other. As far as the relations between reform and development are concerned, we must realize that reform is a powerful propelling force for social and economic development. Development hinges upon reform. The most important thing for realizing the second strategic target for economic development is to firmly, actively, and steadily promote reform of the economic structure. The final purpose of reform is to promote the development of social productive forces, to enhance the comprehensive national strength, and to improve the people's material and cultural life. Therefore, reform must be carried out in close conjunction with the strategy for economic development and must serve the purpose of development. The principal criterion to judge whether a reformatory measure is successful or not is to see whether it can help to raise productive forces, promote a sustained, steady, and well coordinated economic development, expedite the optimization of the economic structure, improve the economic results, and help improve the people's material and cultural life. Reform needs a stable economic environment. No reform can be carried out in a country suffering from political and economic instability. By the way, only by furthering the reform's depth, will it be possible to invigorate the economy, maintain sustained economic growth, and really promote political and social stability. In correctly handling the relationship between reform and stability, it is crucial to grasp the following three points: 1) In formulating an economic reform plan and program, not only should we think of ways to solve deep-rooted problems and to realize intermediate and long-term economic development objectives, but we should also consider the practical environment and foundation provided by economic development. 2) In carrying out major reform measures and principles, we should thoroughly consider the capability of the state, enterprises, and individuals to withstand strain. At the same time, it is necessary to prepare corresponding supporting measures in order to ensure economic and social stability and avoid major social upheavals. It is necessary to strengthen ideological and political work, give correct guidance through the media, and make the vast numbers of people understand and support reform. 3) In accordance with practical conditions, it is necessary to take prompt action to readjust, perfect, standardize, and institutionalize reform measures now being implemented.

#### **The Basic Direction for In-Depth Reform Is To Establish an Economic Operation Mechanism Which Combines Planned Economy With Market Regulation**

Back in 1980, Comrade Deng Xiaoping noted: "Introducing a market regulation mechanism under the guidance of the planned economy will be a thorough revolution." In an important speech delivered 9 June 1989,

Comrade Deng Xiaoping emphasized once again: "We must uphold the integration of the planned economy and market regulation, which must never be changed." In his speech on the 40th anniversary of the PRC's founding, Comrade Jiang Zemin pointed out: "We must constantly blaze new trails in practice and try to create a socialist commodity economy operating mechanism which suits China's needs and can perfectly integrate the planned economy with market regulation. The extent, form, and scope of the integration of the planned economy and market regulation must be regularly readjusted and revised in accordance with the actual circumstances. This is an important theoretical and practical issue." Comrade Li Peng recently noted: "Effecting the integration of the planned economy and market regulation means to give fuller play to the two aspects' advantages and to more efficiently promote social productive forces." "As to the necessity and possibility of integrating the planned economy and market regulation, one should not doubt or waver on this point in formulating and implementing the relevant policies." "Now, it is not a question whether the planned economy and market regulation should and can be integrated; what really needs to be further studied is how the two aspects can be better integrated," he added. These expositions by central leaders all demand that we correctly recognize and continuously explore concrete ways and means for combining planned economy and market regulation in the course of practice. This is the central question of China's economic reform. Finding a proper solution to the question could not only guarantee our adherence to the socialist orientation, rational disposition of resources, and continual consolidation of the state economy, but also invigorate China's economy and improve its people's material and cultural living standards. Future reform measures should embody this general guiding principle, which represents the mainstream of the reform's major goals, demands, and measures.

The historical experience of socialist construction in China has fully proved that as long as the planned economy and market regulation are well integrated, the economy will grow and the market will be brisk; once the planned economy and market regulation are not well integrated, there will be an imbalance between the aggregate supply and demand and drastic economic fluctuation, supply will be unstable in the market, and there will be discontent among the masses. During the initial period after the PRC's founding and the First Five-Year Plan, in view of the coexistence of different economic sectors, the government took action to put 156 major construction projects and state-owned enterprises under direct planned control, and paid close attention to the maintenance of the "four major balances" in the national economic plan. Meanwhile, the government basically exercised indirect control over other economic activities through market regulation. This policy enabled a rapid economic recovery and brought about an economic boom, thus helping the country make a good start in its socialist industrialization program. After that, however, the principle of "large in size and collective in nature" was overemphasized, and the

commodity economy, the currency system, and the law of value were even repudiated for a while. During the "Great Cultural Revolution" in particular, the interference and disruption, due to the ultra-Left ideological trend, caused great chaos in theoretical circles; and, in practice, the attempt to prematurely effect the transition to communism went counter to the objective law. As a result, both the plan and market sides failed to play their due role, which led to serious imbalance in economic and social development and caused tremendous economic losses. All these were profound lessons that should be drawn from history.

This country's socialist economy is a planned commodity economy based on public ownership. Objectively, it demands the establishment of an economic operation mechanism which combines planned economy with market regulation. The main reasons are: First, planning and market are both means and forms of resources allocation. But they are not symbols for distinguishing between socialism and capitalism. Planning exists under capitalism, and markets exists under socialism. If there is no market under socialism, the commodity economy will not be developed, a prosperous economic situation cannot appear, the people's material and cultural life cannot be improved, and we can only stay in a backward condition. Second, the essential difference between socialism and capitalism lies in the different ownership systems as their carriers. The basis of socialist planning and market is the public ownership of the means of production. This enables the national economy to develop in a proportioned and planned way, or, as Lenin put it, to conscientiously maintain an appropriate proportion and balance. However, only by organically combining planning with market and giving full play to their specific advantages and strong points can we turn this possibility into reality and give full play to the socialist system's superiority. Third, the basis for combining planning with market is the commodity economy. Both planning and market are the inherent demands of the development of socialized mass production and the commodity economy. The planning we are talking about here is not one mainly relying on administrative means and excluding the role of market mechanism, but one conforming with the demands of developing the commodity economy and respecting the law of value. The market we are talking about is not one in an anarchist state without control but one that is in good order and is guided, regulated, and controlled by state planning. The combination of planning and market is not a partial combination. It covers the whole course of social reproduction. This combination's range and degree are not unchangeable but are always changing in different stages of economic development along with the market's development.

Judging from the current situation, the main problem in combining planning with the market lies in the planning. We should reform and improve the system of planned management so it will correctly reflect the objective economic laws, especially the law of value. The main

tasks of the state's planned management are to define reasonable strategies and plans for national economic development; to draw up correct industrial, regional, and national economic policies; to set the rate of economic growth, scale of investment in fixed assets, volume of issued currency, price index, and foreign exchange rate; to ensure a comprehensive balance of the national economy; and to apply supplementary economic, legal, and administrative means to comprehensively guide, regulate, and control economic operations. In other words, the state's planned management and guidance will mainly cover the areas related to the development goal of the national economy, its overall control and structure, disposition of productive forces, and major economic activities that are vital to the national interests; while day-to-day production and management activities and general transformation projects needed to upgrade enterprises' technology will be adjusted by the enterprises themselves according to market demand. Judging from the development direction and reform trend from now on, the scope and proportion of mandatory plans will be appropriately reduced, while the proportion of guidance plans and market regulation will be gradually expanded.

In the course of China's socialist construction, the combination of planned economy with market regulation into an organic whole will be an historical process which cannot be accomplished in one move. It is necessary to create fundamental conditions for this process by deepening the reform. To create such fundamental conditions is, in fact, an important task in deepening future reforms.

First, we should establish a scientific and effective system for balancing the aggregate supply and demand. The balance between the aggregate supply and demand is the fundamental condition for the organic integration of the planned economy and market regulation. Imbalance between the aggregate supply and demand, an overheated economy, and inflation will lead to instability in the economy and the market as a whole. Such being the case, it will be hard to bring the advantages of both the plan and market sides into full play, and the two's integration will be out of the question. Therefore, the key problem is to correctly handle and harmonize the relationship between planning, finance, and monetary affairs so a realistic system for balancing the total supply and demand, a strict system for their mutual conditioning and restriction, and a flexible and effective system for harmonizing their division of work can be gradually established.

Second, we should reform and perfect the planning system and methods. Practice proves that in planning and management, it is necessary to attach importance to the law of value. Planning should cover both the state-owned and collective enterprises and both the projects under and not under the state budget and planning, so planned economy and market regulation can really be combined into an organic whole. In accordance with the orientation pointed out by the 13th CPC Central Committee's Seventh Plenary Session, on the premise of

exercising strict control over the general social demand, it is necessary to gradually reduce the range of mandatory planning and combine guidance planning and economic policies with the use of economic levers, so planning can be made on the basis of the law of value and become more scientific and effective. It is necessary to make continuous efforts to improve planning and management and to promote the development of the operation mechanism that integrates the planned economy and market regulation from a lower and imperfect state to a higher or perfect state.

Third, we should foster a socialist market system and reform the price mechanism. Market is the outcome of social division of work and commodity production. Without market, the planned regulation and control will lose their objective basis and the law of value cannot work. Therefore, while strengthening and improving planning and management, it is necessary to solve the problem of separation among various departments and localities and actively foster, open up, and develop all kinds of markets, especially the commodity market, financial market, and the markets of other major production elements, which have their own special characteristics, complement each other, and are linked together under a nationwide unified market. For example, in major agricultural and sideline product producing areas and distributing centers, we can set up wholesale markets for major farm and sideline products, and we can also run some commodity futures markets on a trial basis, with a view to maintaining a balance between production and marketing; in central cities in major producing areas of capital goods, we can develop spot and futures trade centers for important goods, in the form of purchase orders placed by the state with specific suppliers for specific quantities of goods at floating prices, or through economic contracts between enterprises, and these trade centers are designed to replace purchase ordering fairs which used to be called "mule and horse galas"; as for provinces, municipalities, and autonomous regions which have been maintaining close economic ties between them, in accordance with the actual commercial structure and marketing links, they can set up regional markets based on mutual benefit, with a view to promoting marketing of goods and removing barriers between markets. It is necessary to establish a system of market regulation foundation and strengthen market guidance, regulation, and control in order to ensure the healthy development of the commodity and materials markets. On the basis of rationalizing price relations, it is necessary to gradually establish a price mechanism, under which the prices of a small number of products, which have an important bearing on the national economy and the people's livelihood and on the overall development, are controlled by the state while the prices of the majority of products are formed in the market. In modern economic operations, money is the main medium of circulation. Therefore, it is necessary to continuously expand and perfect the short-term financial market and gradually develop a long-term financial market. While expanding indirect accommodation of

funds, it is necessary to develop various forms of funds accommodation, such as issuing bonds and shares in a planned way, increasing housing deposits and mortgage, and developing old-age pension and commission investment.

Fourth, we should establish a competitive enterprise management mechanism based on the principle of survival of the fittest. Enterprises are the main body of production and operation. The last places where planning and market play their roles are enterprises. Without an enterprise operation mechanism capable of making correct and flexible responses toward planning and market, the combination of planning and market into an organic whole will become mere empty talk. Therefore, it is necessary to gradually standardize the relationship between the state and the enterprises in the fields of distribution and management and realize the separation of government administration and enterprise management so that the enterprises can really become independent commodity producers and so that an operation mechanism can be established, which is characterized by the enterprises carrying out independent management and assuming sole responsibility for their profits or losses and by the enterprises' self-development and self-restriction.

Fifth, we should correctly differentiate the economic relations between the central and local governments and transform their managerial functions accordingly. According to the principle that the financial and management powers should suit each other, it is necessary to define the range of revenue and expenditure of both central and local authorities and their respective investment policy making power. It is necessary to gradually establish a macroeconomic regulation and control system, under which indirect regulation and control is combined with direct regulation and control, with stress on the former, and the central authorities' regulation and control is combined with the provincial authorities' regulation and control, with stress on the former. Governments at all levels must improve their management of economic affairs. They must change their past practice of giving priority to making decisions on the distribution of funds and materials and some concrete construction projects to a practice of giving priority to overall planning, harmonizing, service, and supervision. Toward the enterprises, they must change from the practice of giving priority to direct regulation and control to giving priority to indirect regulation and control.

#### **Successfully Carry Out Various Macroeconomic Reform Measures Focused on the Invigoration of Enterprises, Especially Large and Medium State Enterprises**

Invigoration of state enterprises, especially large and medium ones, has always been the central link of the entire economic structural reform. Large- and medium-sized enterprises under the ownership of the whole people are the socialist economy's backbone and the state's main source of financial revenues. How actively and efficiently these enterprises operate directly bears on

our efforts to overcome the present financial difficulties and to maintain sustained and steady economic growth, and on the maintenance of social stability and the consolidation of the socialist system as well. At the 13th CPC Central Committee's Seventh Plenary Session, Comrade Jiang Zemin repeatedly emphasized that it is necessary to improve the economic results of all large- and medium-sized enterprises under the ownership of the whole people and to increase their potential for further development and that this should be taken as a key task in the efforts to boost the national economy.

The goal and main tasks of enterprise reform in the 1990's are to continue to adhere to the principle of separating government administration from enterprise management and ownership from managerial power, enable enterprises to gear to market demands and exercise self-management under the guidance of state plans and industrial policy, and gradually establish an operating mechanism commensurate with the planned commodity economy and modern enterprise management so state enterprises can really become the producers and dealers of socialist commodities with the capacity for self-management and responsibility for profits and losses.

To sum up, the basic tasks for invigorating the state-owned enterprises, the large and medium ones in particular, include the following: First, deepen enterprise reform, sum up the successful experience with regard to systems and mechanisms, seek effective methods to improve and develop the enterprise responsibility system with the commencement of a new round of managerial contracts, and rationalize the relationship between the leading and income distribution systems within enterprises. Efforts should be made to strengthen enterprise management, motivate technological advance, improve enterprises' quality in every respect, raise their ability to deal with contingencies, and bring into full play the initiative of both the management and producers. Second, the government at all levels should create favorable conditions for enterprise development, delegate to enterprises the policies and rights authorized by the state and stipulated in the "Enterprise Law," resolutely curb the exaction of charges and all kinds of inspection under various excuses, and alleviate the burden of enterprises so that enterprise leaders can focus their attention on developing production, operation, and technology. Third, we should achieve a balance between aggregate demand supply, improve the macroeconomic environment, maintain a steady economic growth, ensure that enterprises enjoy decisionmaking powers in determining prices and marketing their products, make better use of the essential production factors offered by the state to develop new technology and products, explore markets at home and abroad, carry out competition in the face of the market and customers, and continuously increase their vitality and adaptability amid the competition.

Various localities have offered a lot of good and successful experience in furthering the depth of enterprise

reform, especially large- and medium-sized enterprises, operating under the ownership of the whole people. For instance, the State Council General Office recently cited a few cases for emulation, among them are the Wuhan Iron and Steel Corporation, which has done a good job in promoting product quality and economic returns; Shoudu Iron and Steel Corporation, which has expanded its production scale by introducing the contracted and independent management systems and through technological transformation; Shanghai No. 2 Textile Machinery Plant and Dalian Refrigerator and Freezer Plant, which have developed new products and expanded exports by reforming and changing their operational mechanism. Enterprise reform should be focused on implementing the decisionmaking powers of production and operation; changing the mechanism; facing the market and customers; and, in the field of material and spiritual management, establishing an effective mechanism which can stimulate technological progress, develop new technologies, reduce material and energy consumption, and increase efficiency. It is necessary to continue to uphold and perfect the enterprise contracted responsibility system, the system of factory director (manager) assuming sole responsibility, and the enterprise internal economic responsibility system; promote the rational flow of essential production factors between enterprises; encourage enterprises to contract, lease, and merge one another and develop lateral associations; and develop enterprise groups in a planned and step by step manner. Through these reforms, we should increase efficiency in structural readjustment and promote a rational flow of essential production factors, technical transformation, technological progress, and enterprise management.

Furthering enterprise reform's depth involves a number of external factors. Apart from reforming the planning, price, and circulation systems mentioned previously, the state will comprehensively reform the investment, financial, monetary, taxation, labor and wage, and social insurance systems to create fine macromanagement conditions and external environment for enterprises to establish an operation mechanism for independent operation, assuming sole responsibility for their profit and loss, self-development, and self-restraint.

—Furthering the reform of the investment structure in depth. Regarding the investment projects, it is necessary to continue to implement and perfect the public bidding system. As for the ordinary construction and technical transformation projects, investors may make their own decisions within the scope of investment stipulated by the state. At present, it is necessary to coordinate with the technical transformation of the state-owned enterprises, the large and medium ones in particular, and appropriately adjust the ceiling set for investment and the procedures for examining and approving investment involved in these projects so as to meet the needs of invigorating the large and medium size state-owned enterprises.

—Furthering the in-depth reform of the banking system. Under the State Council's leadership, it is necessary to

further enhance the central bank's functions of comprehensive control and regulation. We should gradually establish an enterprise operation system which integrates the special bank's independent operation with a risk-minimizing mechanism, and explore the system which separates management of the banking businesses of a policy nature from those of an operational nature. The banks should develop all kinds of savings businesses to serve the social insurance system, and attract more capital to serve the state's key construction projects. At present, all the special banks should make strenuous efforts to help enterprises tap their capital potentials, make good use of reserve funds, continue to settle triangle debts, reduce overspending of working capital, improve the settlement method, and ease their capital shortages.

—Furthering the in-depth reform of the financial and taxation system. The main tasks of the financial reform during the Eighth Five-Year Plan include: stabilize and perfect the existing financial contract system; and step up efforts to establish separate budget systems for central organs, provinces, municipalities, and autonomous regions. Regular revenues and expenditures should be separated from those connected with construction projects. We should uphold the principle that the regular budget shows no deficit, but a little surplus, while the construction budget may have a deficit. The construction budget deficit should be made up by such methods as issuing bonds rather than overdrawing from the bank. If bonds are issued, the debt-repayment capacity should be fully considered. Besides, in coordination with the price system reforms, the grain procurement and marketing system, and the social insurance system, we should gradually reduce the various subsidies so as to lighten our financial burden. The main tasks of taxation reform include: gradually unify tax policies, centralize tax powers, ensure fairness of the tax burden, and simplify the tax system. In the field of industrial production and commercial wholesale, it is necessary to spread the implementation of increment taxes, merge the grades of increment tax rates, gradually unify the income tax system of various economic sectors, expand the scope of resource taxes, and create conditions for enterprises to enter into fair competition.

#### Accelerate the Pace of Reforming the Housing and Social Insurance Systems

Recently, Premier Li Peng noted: The reforms in the following three fields should be given an important place in the next decade: First, the housing system; second, the social insurance system; and third, the medical care system. The reforms in these three fields are related closely to the people's vital interests and to social, political, and economic stability and development.

The housing system reform, which has an important bearing on policy and involves many people, is a major event which covers much ground. Now our case is that, on the one hand, the state has to contribute as much as over 30 billion yuan a year to building housing projects

and over 6 billion yuan for housing maintenance subsidies despite the diminishing supply of funds; on the other hand, the masses who are extremely eagerly looking forward to a solution to the housing problem have nursed strong grievances against the malpractices regarding the distribution of houses and apartments, whereas the resources to run housing projects and the supply of building materials are at the disposal of the state and local authorities. The housing system reform will be conducive to attaining the comparatively well-off target at an early date, readjusting the industrial structure, promoting the market, and regulating and guiding consumption. We must deepen our understanding, speed up the progress, and do a good job of reforming. All localities should suit measures to local conditions, sum up experiences, adopt various means, and carry out the reform in a vigorous and steady manner.

In recent years, a total of 19 cities, including Yantai, Tangshan, Bengbu, Shenyang, and Chengdu, and some 30 counties, including Doumen, have introduced housing system reforms one after another in line with local conditions. In addition, more than 200 cities and counties carried out various forms of reform experiments related to housing. Shanghai recently presented an integrated reform of the housing system, by which "a provident fund scheme will be introduced, housing allowances will be given along with an increase in rent, preference will be given to those who buy treasury bonds, those who buy houses or flats will enjoy some fringe benefits, and a housing authority will be set up." This reform is going to be put on trial very soon. In Beijing and Shunyi County, under Beijing's jurisdiction, the housing reform has incorporated a fund raising system under which the state, the collective (unit), and the individual will contribute their shares. This system has helped speed up the housing reform. Other provinces, municipalities, and autonomous regions also have a lot of good experience to offer. We should sum up their experiences, study and coordinate relevant policies, and make joint efforts with the localities to accelerate housing reform.

During the Eighth Five-Year Plan, the following work should be done well in housing reform:

—Reasonably readjust the rent of public housing and duly increase the proportion of rent in workers' expenses for living. On the basis of unifying the rent of public housing, all cities and towns should raise rents step by step to a level which at least includes the three factors of depreciation, maintenance, and management charges and strive to reach the cost of rent which includes investment interests, real estate taxes, and the three factors. When rents are raised, all localities may issue housing subsidies to workers residing in public houses in light of the principle of "increase for over-payment or supplemental payment for deficiency." Supplementary reforms of wages and the insurance system for the elderly should be introduced and gradually linked with the workers' pay and pension. Additional charges should be imposed on housing space which exceeds standards.

- Continue to encourage workers to purchase public housing units. Preferential prices will be offered to the housing area which is within the state's standard while market or guidance prices will be available for areas exceeding the standards. Regarding those with high incomes, guidance or market prices will apply.
- Reform the housing investment and construction system. In light of the principle of "unified planning, design, requisitioning of land, mustering of funds, construction, and management," it is necessary to establish and develop low-cost commercial housing companies, vigorously develop housing cooperatives, encourage workers to join various forms of funds pooling for building houses, and give priority to families with housing difficulties. The government at all localities should make comprehensive arrangements for land, planning, building materials, credit, taxation, and basic facilities; and coordinate reforms. The transformation of old urban areas and the development of new ones should be carried out in combination with housing reform. To further expand housing construction, we should implement the policy of the state, the collective, and individuals reasonably sharing the funds to be collected.
- Gradually establish a housing fund system at various levels. With the participation of financial departments at the same level, the funds involved in housing construction, operation, and inhabitants' housing consumption should be centralized, assessed separately, channeled to a housing fund, and used in an overall manner. Where conditions permit, the cities and towns can establish an accumulation fund, which will serve as a component part of the workers' housing fund. The government at all levels should deposit the money earned from the selling of public houses to a financial organ designated by the local government, which will be regarded as a housing fund and used for housing construction and maintenance.
- While promoting reform of the housing system, it is necessary to introduce reform of the housing financial system, which includes establishing and perfecting the individual savings for housing and the housing credit system, implement the system of purchasing houses on mortgage, and encourage workers to buy and build houses by offering preferential interests on credit and repayment terms. In large and medium cities, where conditions permit, experiments should be conducted to establish housing savings banks.
- The housing reform involves hundreds of thousands of households and is related to the masses' immediate interest. According to the experience in Beijing and Shanghai, the housing reform will be successful only if the masses understand and support it and take it as their own affair. Plans, policies, and measures concerning the housing reform must be released for open discussion among the masses to widely solicit opinions and pool good suggestions. The mass media must guide the masses in playing an active part in the housing reform, and prepare a good environment and

"climate" in terms of public opinion so that a housing reform proposal can be presented in good time and implemented successfully.

This year, all localities must intensify the reform of the housing system according to the State Council's general plan on the reform of the rural housing system. They should introduce a uniform standard for rent of local public housing, according to the state requirements, and moderately raise the rent, with a view to boosting sale of the apartments. They should also continue to implement the measures that encourage staff and workers to buy houses and flats and to raise housing funds by various means. The practices of issuing allowances in compensation for rent increases and the sale of public housing apartments are subject to strict observance of the state's relevant policies.

The social insurance system reform mainly includes insurance for the elderly, medical service, unemployment, and industrial injuries. By the end of 1989, a centralized pension scheme has been introduced into enterprises under the ownership of the whole people in 2,200 cities and counties and into collective-run enterprises in more than 1,400 cities and counties throughout the country, which account for 93 and 58 percent of all the cities and counties of China respectively. In consequence, the problem of a noticeable imbalance between different enterprises in terms of contributions to pensions has been basically solved. Meanwhile, pension and unemployment insurance systems, both designed for contract workers, have been introduced. Pilot projects for the reform of the medical service system have been conducted in the cities of Dandong, Siping, Huangshi, and Zhuzhou. All these reform measures are primitive in nature and there is much room for improvement. At present, the main problems in social insurance reform include: First, limited coverage and a low level of socialization; second, state "monopoly" and unitary source of funds; and third, an improper management system. In view of these problems, it is necessary to carry out reform and gradually establish a highly socialized insurance system supported by sound regulations.

With regard to old-age insurance for staff members and workers of state-owned enterprises, an individual insurance system may be introduced while efforts are being made to improve the current system covering the entire society. Under the individual insurance system, premiums should be paid by both the individuals and their work units at a certain ratio, and the part contributed by the individuals should be gradually increased with the raising of their wages. For staff members and workers of various collectives in cities and towns, we should set up a dual old-age insurance system combining the social annuity system for the elderly and the individual old-age pension savings deposit system. Contributions by the three kinds of foreign-funded enterprises and their workers should be higher than the amount contributed by workers from other economic sectors. Regarding industrial and commercial businessmen and the employer and employees of privately owned enterprises,

it is necessary to establish an insurance system which combines individual account savings accumulation with mutual aid funds, of which the premiums are totally contributed by the individuals. As for township enterprise peasants and workers, the rural insurance system, which includes self-insurance and collective subsidies, with stress on the former, should be implemented. With the reform of the labor system and optimum organization of labor, the coverage of unemployment insurance should be gradually extended from contract workers of state-owned enterprises to all workers of state-owned enterprises, collective enterprises, and enterprises of other economic sectors. The employing units should pay premiums at the beginning. As time passes, however, the system should be gradually changed to require both the employing units and the individuals to share the premium payment.

The road of social insurance should be taken for the reform of the medical care system. Premiums for medical insurance should be shared by the state, enterprises, and individuals at a certain ratio.

#### **Strengthen Party and Government Leadership Over Reform, Carry Out Overall Planning, and Coordinate Well With Each Other**

In the 1990's, we are to establish a new structure of the socialist planned commodity economy, and to seek the concrete approaches and means to integrate the planned economy with market regulations. We are facing very complicated and arduous tasks. Since reform was launched in China, different departments in charge of structural reform and the vast number of cadres engaging in structural reform, under leading party and government organs of different localities and sectors, have been determined to push forward the reform; made great efforts to overcome difficulties; and done a great deal of work in drawing up reform plans, formulating policies, organizing pilot projects, summing up and spreading experience, making theoretical studies, and fostering and replenishing the contingent of reformers. Their efforts are successful to varying degrees, and their achievements have been appreciated by party and government leadership in various localities and sectors and acclaimed by local enterprises as well. All these efforts should be fully appreciated, and more down-to-earth and fruitful work should be done in the future, in accordance with Comrade Deng Xiaoping's instruction, that we should uphold what has proved to be right, correct what has been proved to be wrong, and mend any deficiencies. To ensure the socialist orientation of reform and smooth implementation of various reform measures, it is necessary in the 1990's to strengthen leadership over reform and make overall plans.

First, strengthen party and government leadership over reform work and do a good job in the overall planning and coordination of major reform measures. The reform and opening up process that is going on in China is an unprecedented cause. To accomplish it, the Chinese people have no previous models or experience to copy

but have to blaze their own trail with their wisdom and practice. The CPC Central Committee and State Council have shown great concern for and attached importance to reform work. Premier Li Peng pointed out: The purpose of the State Commission for Restructuring Economy designating a full-time minister is to strengthen the commission's work. The commission will still be under the premier's direct leadership. The State Council has recently decided that the commission will implement a committee system. Apart from the minister, deputy minister, and a small number of full-time members, the committee will be composed of members, one each designated from the State Planning Commission, Finance Ministry, the People's Bank of China, the State Council's Production Committee, Labor Ministry, and State Price Bureau, who will assume the deputy post in charge of reform work. The committee will be responsible for examining the major issues concerning economic structural reform, doing a good job of overall planning and convergence, and making proposals for the State Council's policy decisions. This is another important measure adopted by the State Council to strengthen leadership over reform work and overall coordination. During the past 12 years, the party committees and governments at all levels have done a great deal of work in leading and supporting the reforms. Principal leading comrades have paid personal attention to reform work, placing it high on the work agenda of party committees and governments. In light of local actual circumstances, different localities have introduced reform and gained a great deal of valuable experience. As functional organs of the government for making overall plans for reform, the structural reform departments at all levels cannot carry out work without the leadership and support of the party committees and governments. The municipalities of Beijing and Shanghai; the provinces of Liaoning, Sichuan, Henan, Jilin, Guangdong, and Hainan; and the cities of Chengdu and Shenyang have all intensified leadership, planning, and coordination in regard of reform. The provinces of Shandong, Heilongjiang, Hebei, Shanxi, and Jiangsu have relatively sound and complete organizations in charge of structural reform at all levels. A number of provinces and cities have clearly stipulated that the major reform measures should be coordinated comprehensively by the structural reform departments before they are submitted to the provincial and city governments for approval. Following approval by provincial and city governments, the departments responsible for structural reform should make concerted efforts with the departments concerned to implement them. Recently, the State Council issued Document No. 4 (1991) to more clearly define some provisions regarding the system concerning comprehensive coordination of reform. According to this document's requirements, the structural reform departments at all levels should pluck up their spirits and take the initiative to exercise leadership over reform work on behalf of the local party committees and governments. They should strengthen contacts with the departments concerned, do

more work, make overall plans for major reform measures, and act as good advisers and assistants to the local party committees and governments.

Second, strengthen overall planning and coordination in conducting urban and rural reforms. At the national structural reform conference last year, Premier Li Peng expressly forwarded: the State Commission for Restructuring the Economy is in charge of reform in both rural and urban areas. Now the State Commission for Restructuring the Economy has set up a Rural Economic System Section in charge of rural reform. It is one of the commission's new tasks to take charge of rural reform. Making overall planning for and coordinating urban and rural reforms will also be one of the new characteristics of the commission's future work. The structural reform organs at all levels should meet the demand of their new functions, strengthen contacts with the departments concerned, carry out overall planning for both urban and rural reforms, and do a good job in coordinating the work in these two fields. We should maintain the continuity and stability of the major rural reform policies, set the household contracted responsibility system with payment linked to output as a long-term basic system in the rural areas, and continue to perfect it. On this basis, it is necessary to develop a socialized service system and perfect the two-layer operation system which combines centralization with decentralization. We should maintain stability of the policies for township enterprises, improve the environment for their operation, strengthen guidance over their industrial policies and planning, improve the enterprises and cadres, and ensure that rural reform will develop more vigorously and healthily.

Third, conduct well pilot projects at selected localities and make experiments for the major reforms. According to the guideline laid by State Council Document No. 4 (1991), pilot projects related to overall, major reforms should be proposed by the State Commission for Restructuring the Economy; departments concerned of the State Council; or the people's government of the provinces, autonomous regions, municipalities, or cities concerned. When the State Council approves the plan made through concerted efforts, it should be implemented by the local people's government or competent departments with the coordination of the State Council departments concerned and guidance of the State Commission for Restructuring the Economy. The five special economic zones, Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan; and the two provinces of Guangdong and Fujian selected to undergo comprehensive reform and opening up experiments should deepen their reform experiments. They should take the lead in establishing an export-oriented economic operation mechanism and a commodity economic management system which are up to international standards. They should sum up and accumulate new experience in institutionalizing and standardizing reform and establishing a new socialist commodity economic system. Apart from the tests and experiments conducted in the special economic zones and comprehensive reform experiment regions, where

conditions permit, the departments concerned should coordinate with each other to continue the various reform experiments in a planned manner and under proper leadership. These include: "separation of tax payment and profit delivery, after-tax loan repayment, after-tax contract execution," the share holding system, and the tax revenue-sharing system. Under the guidance of the cardinal policy of reform and opening up, the special economic zones, comprehensive reform experiment regions, and economic and technological development areas should enjoy a greater right to conduct test reforms and show a greater degree of ideological emancipation. They should be allowed to carry out experiments as well as to succeed and make mistakes in the experiments. It is necessary to continuously sum up experience, do well the experiments, and create conditions to spread them so that the reform's feasible achievements can be extensively applied and can turn out marked results at a wider scope.

Fourth, strengthen ideological and organizational building of the structural reform departments at all levels. Under leadership of the party committees and governments, the structural reform departments are functional organs responsible for overall planning, coordinating, and guiding urban and rural economic reform; promoting enterprise reform; and experimenting and spreading the major reform measures. To meet the new situation of reform and opening up and properly perform their functions and tasks, the structural reform organs at all levels should strengthen their ideological and organizational building, and make efforts to build up a contingent of structural reform workers who are determined to carry out reforms and revitalize the Chinese nation, who are good in political and ideological aspects, who are professionally proficient, and who can work in a down-to-earth manner. Recently, in the State Commission for Restructuring the Economy's year-end work report, I quoted a slogan forwarded by Comrade Mao Zedong and I added my new interpretation to it as the guideline for the development of organs and personnel. The slogan is: A firm and correct political orientation, the style of hard work and plain living, and flexible strategies and tactics. To carry forward and apply the idea of this slogan in the new historical period, we must uphold the socialist orientation for the reform and work really hard in both aspects, namely, we must attend to reform and opening on the one hand while stepping up the establishment of the legal system and fighting with economic crimes on the other. We must promote a work style to go deep into the reality of life, conduct investigations and studies, and seek the truth from facts. We must stress efficiency, oppose bureaucratism, and get rid of the style of study and work that is divorced from reality. We must proceed in everything from China's national conditions and from the developing domestic and international situation, formulate reform policies and measures according to the current and local situation, and do away with any hidebound thinking. Our comrades working with structural reform

organizations at all levels should study Marxism-Leninism-Mao Zedong Thought harder, enhance their sense of reform, fear no difficulties, be adept at organizing the resources of various sectors, make a success of the reform, and unremittingly improve themselves amid the great tide of reform.

Let us submit ourselves to the leadership of the CPC Central Committee and the State Council, keep up economic construction as our key task, uphold the four cardinal principles, hold high the banner of reform and opening up, and strive hard to fulfill the second-step strategic goal for economic development and to initially build up a new structure of the socialist planned commodity economy by the turn of the century!

### Reform of Land Use by Foreign-Funded Enterprises

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[Article by Jia Zongyi (6328 1350 6146): "China Gradually Improves System for Management of Land for Foreign-Funded Enterprises"]

[Text] This reporter learned from the national meeting of land administration bureau heads, currently being held in Beijing: The reform of China's land use system has accelerated the improvement of the investment environment and provided foreign businessmen with more investment opportunities, thus attracting foreign investors' greater interest. As the land use system reform proceeds gradually, entrepreneurs from many countries, the Hong Kong and Macao region, and Taiwan are coming to our country to discuss investment possibilities.

This new situation has the following special features: 1) As their enthusiasm for investment runs high, the entrepreneurs' demands for land keeps on rising; moreover, there has emerged a trend of development moving from small to large investment projects and from single-item to comprehensive development projects. 2) They have a special interest in the development of the land of an entire area, thus diversifying land use. 3) The investment areas gradually have been extending from the south to the north, from the east to the west, and from cities to small towns.

According to incomplete statistics, from 1987 to 1989, there were 18 pieces of land, with an area totaling 665.1 hectares, the use rights of which were conceded [chu rang 0427 6245] to foreign businessmen and to businessmen from Hong Kong and Taiwan, in transactions worth 560 million yuan.

The current national meeting of land administration bureau heads was convened at an important moment when land administration work had proceeded from the stage of initial development to a stage of deepened reform and comprehensive construction. With the Chinese Government's establishment in 1986 of the State Land Administration Bureau, designed to take charge of

the unified administration of land all over the country and of urban and rural land reform, unified land administrative organs at various levels have been established throughout the nation. Since then, China's land administrative work has entered a new period of unified, comprehensive, and scientific administration according to law. An important item on the current national meeting's agenda is to specially study the question of deepening reform in the land use system. The reform is part and parcel of China's economic structural reform.

During the meeting, Li Shangjie, deputy director of the State Land Administration Bureau's Building Sites Department, briefed participants on the administration of land used by foreign-funded enterprises.

Li Shangjie said: With the development of foreign-funded enterprises, land—a most basic production element—has become an important investment condition and is playing an increasingly more important role in absorbing and using foreign capital. The administration of land used by foreign-funded enterprises is a component of the unified land administration and an important aspect of the implementation of the basic national land policy of "fully cherishing and rationally using every inch of land and effectively protecting cultivated land." When it comes to the land used by foreign-funded enterprises, in applying laws and policies, consideration should be given to whether the application conforms to China's national condition and international standards.

Li Shangjie went on to deal with several specific policies on the administration of land used by foreign-funded enterprises and said the administrative system in this regard was being improved gradually.

First, a compensatory land use system is pursued among foreign-funded enterprises without exception. For a certain period of time to come, land use rights will be granted to foreign-funded enterprises on an either compensatory transfer or administrative allotment basis and active efforts will be made to expand the concession [chu rang 0427 6245] of land with compensation. At present, foreign-funded enterprises can be found in 30 provinces, autonomous regions, and municipalities all over the country. The cities experimenting with the concession of land with compensation are mainly concentrated in the coastal open areas; some cities in the hinterland also have begun such experiments.

Second, on the question of foreign-funded enterprises making appointments for land use. Making an appointment for land use is a method found to meet the foreign-funded enterprises' need for land. In using newly allocated land or domestic enterprises' existing sites, foreign-funded enterprises are required to apply to city and county land administration departments for land use appointments by producing their letters of recommendation on projects to be approved or feasibility studies and related documents. After their letters of recommendation are approved, the land administration departments will get involved in making first-phase

preparations for the land to be used for the projects. This will help improve the quality of examination and approval procedures and shorten the submission and approval time. There are many first-phase preparations to be made, such as listing the newly allocated land in the land use plan as soon as possible and doing a good job helping departments concerned choose building sites; when the existing enterprises' sites are to be used by foreign-funded enterprises, the land's property rights should be reestablished, its area reverified, and its value reappraised; a feasibility study should be conducted on the land to be used for purposes other than previously prescribed. The results of the experiments in this regard conducted in cities in provinces such as Fujian, Liaoning, and Shandong, and Shanghai Municipality, show that these methods will help improve work efficiency and ensure that foreign businessmen can make the earliest possible use of their land.

Third, on the question of using land use right as a condition for forming joint ventures or cooperative enterprises. There are presently many cases in this category. The state allows them after certain procedures are followed. To absorb and use more foreign capital the State Council in 1988 promulgated Document No. 22, encouraging state-owned enterprises in coastal areas and collective enterprises in cities to run joint-venture enterprises with foreign businessmen using their existing sites and buildings as capital. In 1990, the State Council issued Order No. 56, also encouraging state-owned enterprises to run development enterprises with foreign businessmen using their land use rights as a means of joint operation and cooperation. On their part, the Chinese enterprises should apply with land administration departments for appointments for such kinds of land use, and after their applications are approved by the latter within the limits of the state-vested power on construction land use, land use contracts will be signed by city or county land administration departments. Then certificates of land will be given to the joint ventures and cooperative enterprises, which are to pay the fees for the use of their land.

Fourth, on the question of running foreign-funded enterprises by renting out buildings and sites. According to legal provisions, property right holders are entitled to rent out their buildings and foreign-funded enterprises are entitled to rent buildings. Nevertheless, renting out a building means, in fact, renting out the building together with its land use right. If such a piece of land is acquired through the form of concession, renting belongs to lawful business activities, but if it is acquired through the form of administrative allotment, in accordance with the

provisions prescribed in the State Council's 1990 Order No. 55, additional concession formalities should be completed before the acquisition takes place. Taking historical reasons into consideration, the renting contracts concluded before the promulgation of Order No. 55 can be generally maintained intact, but foreign-funded enterprises should pay land use fees. As far as the land rented out after Order No. 55's promulgation is concerned, additional concession formalities should be completed and concession money should be paid.

Fifth, the connotation and interrelations between site use fees, land use fees, and concession money. The term "site use fees" appeared for the first time in the State Council's 1980 Document No. 201. Through several years of practice, it was further defined that site use fees should be composed of land development and land use fees. Land development fees are one-time compensation for investment in land development, including land acquisition and displacement fees and investment in supporting infrastructures directly serving foreign-funded enterprises. Land use fees are fees for using land resources with compensation, which are the economic embodiment of land ownership. Therefore, they should be collected yearly. Land concession money is money collected on a one-time basis from the concession of the right to use land, which generally includes land development fees and the entire volume of fees collected from the use of land during a specific period. In accordance with Chinese laws, foreign-funded enterprises use land with compensation and within a certain time limit. As far as the land used in the form of administrative allotment is concerned, site use fees should be collected every year or land development fees should be collected on a one-time basis, and land use fees should be collected yearly. When it comes to the land used in the form of concession, concession money should be collected on a one-time basis.

Li Shangjie said: The reform of the state-owned land use system, which was started in 1987, was initiated under the guiding ideology of deepening reform and opening wider to the outside world. Practice has proved that practicing land use right concession and transfer [zhuan rang 6567 6245] has enabled foreign businessmen to enjoy greater decisionmaking power in land use and a sense of stability. Moreover, land use formalities have been simplified, thus making things convenient for foreign businessmen. At present, the quantity of land used by foreign-funded enterprises is expanding increasingly. Therefore, we should further strengthen legislation work, improve administrative mechanisms, and raise cadres' quality so as to meet the needs of the development of the situation and the drive to open up to the outside world.

## East Region

### Anhui Leaders Study Strategy for Prosperity

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[By RENMIN RIBAO reporter Zhang Zhenguo (1728 2182 0948) and XINHUA reporter Shen Zurun (3088 4371 3387)]

[Text] Hefei, 29 Apr (XINHUA)—The Huabei area, which was called "Beidahuang [the Great Northern Wilderness] in Anhui," has in recent years changed its outlook with the establishment of many "star enterprises." The products of those enterprises have entered major markets at home and abroad. Following a recent collective investigation and study, Lu Rongjing, secretary of the provincial party committee, said with emotion: "Difficulties cannot be solved at home. There is a way out if we open to the outside world." The provincial party committee is firmly convinced that, for people to reach a state where they lead a fairly comfortable life at an earlier date, Anhui, which is located in the central region of our country, must jump out from the circle of the "three locally's" [producing, processing, and marketing locally] and enter the big market of the "two openings," namely opening to both domestic and foreign markets.

During the great debate on attaining the second-step strategic objective, some people invariably held that because Anhui is not a coastal province it is difficult to jump out from the closed circle. Therefore, it cannot catch up with other places in improving the living standard to a state of a fairly comfortable life.

To ascertain the facts, shortly after the conclusion of the Fourth Session of the Seventh National People's Congress [NPC], the Standing Committee of the provincial party committee coordinated with leading cadres of the provincial people's congress, the provincial advisory commission, the provincial people's government, the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], concerned provincial commissions, offices, departments, bureaus, various prefectures, cities, and counties to organize three teams to conduct a collective investigation and study in the Huabei area from 21 to 29 April.

The Huabei area's farmland accounts for approximately half of the total farmland in the province and its population accounts for more than one-third of the provincial population. However, the total industrial and agricultural output value of the area in 1990 only accounted for one-fourth of the province. Therefore, it is a relatively poor area in the province in terms of its economic condition. The investigation teams surveyed more than 20 counties (cities) in Huabei's five prefectures and cities and noticed that even in this area some localities can extricate themselves from the closed circle and improve their living condition beyond the boundaries of having just enough to eat and wear.

Ten years ago, Huabei was a self-sustaining "traditional farming area" with poor communications. Now the area has convenient "water, railway, and highway" transportation. In 1989, the amount of commercial grain provided for the state by the area accounted for 70 percent of the total marketable grain in the province. The value of industrial output in the same year accounted for 53.1 percent of the total industrial and agricultural output value of the area. There are now hundreds of export-oriented enterprises in the area and several enterprise groups with funds from foreign countries are being formed. The area has 30 large-scale specialized markets and wholesale markets which buy and sell several hundred kinds of industrial and agricultural products of Anhui and more than 10 other provinces. The value of export commodities of the area has been increasing at a rate of 10 percent each year during the past five years. Medium and small cities like Bengbu, Huainan, Huabei, Fuyang, Haozhou, Jieshou, and Suzhou are developing with a relatively high rate of economic growth. The "three old types" of economy, namely the "agricultural type," "resource type," and "inward type" of economy gradually are being replaced by the "three new types" of economy, namely "developing both agricultural and industrial production," "developing both production and processing of natural resources," and "developing both domestic and foreign trade." Through the "three new types" of economy, the area has established 10 national class agricultural commodities production bases and scores of industrial bases for producing export commodities.

While conducting surveys, the members of the investigation teams held discussions that greatly liberated their thinking. In their discussions, some people noted that "we should understand the situation of Huabei," and pointed out that the area "can develop trade in all directions" because of its special geographical advantages and greater flexibility in organizing productive factors. Some of them held that "we should understand the situation of Anhui by looking at it from the outside," and pointed out that this province is richly endowed by nature as regards its geographical position and communications condition. It can give full play to its comprehensive advantages of "sea" (near coastal region), "jiang" (Chang Jiang), "he" (Huai He), "road" (eight railway lines go through the province in various directions) and "bridge" (the "Europe-Asia continental bridge" passes over the province). By drawing on collective wisdom and absorbing all useful ideas, the participants in the investigations have reached a common understanding: "People in Anhui have the hope of reaching a state of leading a fairly comfortable life through efforts aimed at improving their lives."

Governor Fu Xishou further pointed out: Sealing off oneself and being afraid of entering the great market is the main ideological obstacle in a central province's efforts to reach a state of leading a fairly comfortable life. We must liberate our thinking to break free from this ideological obstacle.

In the course of conducting investigation and study, various prefectures and cities in Huabei have formulated their respective 10-Year Program and "Eighth Five-Year" Plan for attaining the objective of improving the people's living standard to a state of leading a fairly comfortable life on the basis of fully understanding the actual situation of various counties and districts. At present, those prefectures and cities are doubling their efforts to implement their respective programs and plans.

In order to speed up the development and opening of the Huabei area, the provincial party committee and the provincial people's government are formulating a series of related specific policies on the basis of the findings of the investigation and study to stabilize agricultural production, strengthen industrial production, invigorate commerce, emphasize education, and develop science and technology so as to add vitality to Huabei's development.

After "developing Wan Jiang and working in concert with Pudong," Huabei has now embarked on the new road of "comprehensive development and further opening to the outside world." A new situation is being created in Anhui in which the people in both the north and south of the province are exerting joint efforts to attain the objective of improving the people's living standard to a state of leading a fairly comfortable life.

#### Fujian To Encourage Individual Housing Investment

HK0305131691 Beijing CEI Database in English  
3 May 91

[Text] Fuzhou (CEI)—East China's Fujian Province will invest 20 billion yuan in building urban residences in the coming decade.

The province will build 50 million sq meters of residential buildings, consisting of 840,000 suites in the next decade, thus bringing the present per capita living space of 7.9 sq meters to 8.5 sq meters in the year 2000.

According to an real estate official, governments at various levels of the province will shoulder 18 to 20 percent of the total investment.

He said that individual investment in and purchasing of resident houses will be encouraged and preferential treatment will be rendered in this regard.

The coastal province is planning to allocate four to five percent of its national income for urban residential buildings in the coming 10 years.

It had invested 6.98 billion yuan in housing construction in the previous decade, he said.

#### Fujian Official Urges Fighting Corruption

HK0305023491 Beijing RENMIN RIBAO in Chinese  
20 Apr 91 p 4

[Article by Lin Kaiqin (2651 7030 2953), secretary of Fujian Provincial Discipline Inspection Committee: "Imperative To Correctly Handle Four Relationships in Fighting Corruption"]

[Text] To realize the fighting objective of the next five to 10 years proposed by the Seventh Plenary Session of the 13th CPC Central Committee, it is necessary to make efforts in various aspects. Improving party style, running a clean administration, and resolutely punishing corruption constitute an important aspect. To punish corruption, it is necessary to correctly handle four relationships. **Correctly handle the relationship between punishing corruption and maintaining stability.**

If there is corruption in a locality, it will be impossible to maintain stability unless it is wiped out. For example, there were problems of one kind or the other in private houses built by Fujian party and government cadres which became the talk of the town for some time, directly affecting the relations between the party and the masses. As the provincial party committee was determined to settle the issue, the forceful measures and proper policies adopted eased the conflict between the party and the masses and between cadres and the masses, and promoted stability.

If corruption is not punished, it will undermine the foundation of political stability. Moreover, the work of punishing corruption should be carried out amid the environment of political, economic, and social stability and normal progress of reform and opening up. No movement should be launched in this regard. The method of suspending economic construction will also not be adopted to punish corruption. On the one hand, resolute measures should be adopted to punish corruption, promote stability, and create a fine political environment for economic construction; and on the other hand, it is necessary to properly implement policies, seek truth from facts, deal with each case on its merits, adopt comprehensive measures, and ensure the smooth progress of economic construction and reform and opening up. **Correctly handle the relationship between punishing corruption on the one hand and reform, opening up, and economic construction on the other.**

The purpose of punishing corruption is to support reform and opening up and promote economic construction because corrupt practices hinder reform and opening up and obstruct economic construction; criminal offenders impair reform and opening up, sabotage economic construction, and dampen the masses' enthusiasm for socialism. To carry out reform and open to the outside world, it is necessary to maintain contacts with various fields. If we send gifts on every occasion, cannot do anything without presenting gifts and money, and even practice blackmail, besides damaging China's image, it will harm the party's reputation and inevitably affect reform and opening up. A handful of party and government cadres have abused powers to accept bribes, damaging party style and social mood and affecting steady and coordinated development of economic construction.

It is our long-term fundamental policy to carry out reform and open to the outside world. We should continue to import advanced things and exclude the decadent bourgeois things; establish an economic structure and operation mechanism which integrate a planned economy with market regulation and make efforts to resist the negative, corrupt practices arising therefrom. Only by taking tough measures against corruption in the entire course of reform and opening up can we ensure correct implementation of the reform and open policies and guarantee that economic construction will constantly advance along the socialist direction. **Correctly handle the relationship between punishing corruption and protecting and cherishing cadres.**

The investigation and handling of corruption cases and punishment meted out against some party cadres indicate that our party is serious and has iron discipline. This itself constitutes education. If a person is expelled from the party, the others may know the requirements for being a party member and discipline to observe. By punishing one, we can educate the majority and protect them. It is correct to protect and cherish our cadres and we all hope that our cadres will grow healthily and not make mistakes on the road of advance. If one of them has violated party discipline, however, the organization will take disciplinary measures aimed at saving him and not letting him go astray on the road of crime. This is tantamount to cherishing cadres. To be strict with cadres means cherishing them; to accommodate them means harming them. To cherish the broad ranks of cadres, we should cherish them politically.

Where there is corruption, there must be punishment. Without punishment, it will be impossible to educate and save party cadres who have violated discipline. Resolutely punishing corruption does not contradict with cherishing cadres. Only when the negative, corrupt practices within the party are eliminated, party style is improved, and clean administration is run can we lead our ranks of cadres forward.

For the sake of protecting and cherishing cadres, the discipline inspection organs at all levels should do a great deal of work to clarify facts and put down burden. Last year, Fujian's discipline inspection organs handled 36,328 complaint letters and received 2,077 visitors. The discipline inspection organs carefully analyzed the matters complained and dealt with each case on its merit. They organized forces to investigate the problems reported by the masses involving corrupt practices and serious unhealthy tendencies; adopted the means of positive education and appropriately handled the ordinary problems; did not take any measures to investigate the complaints which had no substantial contents and which did not tally with the facts; promptly analyzed and realistically clarified the complaints made mistakenly; and held accountable those who fabricated stories and framed others for their personal interests, and cleared the negative influence within a certain scope in light of the actual situation. Through work in this regard, they effectively ensured the masses' rights in reporting law

and discipline violation cases and further deepened the struggle against corruption. Meanwhile, they protected the cadres who dared to fight against corrupt practices, plunged into reform, and dared to exercise management, but who were also mistakenly framed by others. **Correctly handle the relations between punishing corruption on the one hand and the successes and political achievements attained by a unit or locality and their appraisal work on the other.**

While stressing successes and political achievements, and making an appraisal of advanced units and individuals, it is necessary to carry out economic construction, reform, and opening up and at the same time sternly punish corruption. This conforms to the call of the CPC Central Committee on simultaneously carrying out the building of material and spiritual civilization.

Because of the sharp struggles between corruption and anticorruption, between infiltration and anti-infiltration, and between peaceful evolution and anti-peaceful evolution under the conditions of reform, opening up, and commodity economic development, problems of one kind or the other may occur in a unit or locality. The key lies in properly dealing with and resolving them. The successes of a unit or locality should include squarely facing the problems and appropriately resolving them. Only by doing so can we advance rapidly, turn the backward to advanced, and push the advanced forward. For fear of making tools of themselves, some units refuse to reveal their corruption cases. This does not mean that the problem is resolved. As long as there are problems, they will be revealed sooner or later. A number of law and discipline violation cases investigated and handled last year in Fujian took place a few years ago. Regarding corruption cases, it will be better for a unit, department, and locality to resolve them sooner than later. They should not wait until the problems are piled up or they will have to pay a higher price. While punishing corruption, we should be aware of the phenomenon as well as the measures adopted. The problem resolved by meting out punishment should be regarded as a political achievement.

#### Jiangsu Leaders Mark Labor Day

OW0205143691 Nanjing Jiangsu Provincial Service  
in Mandarin 0915 GMT 29 Apr 91

[Text] Provincial trade unions today held a meeting in Nanjing to mark the 105th anniversary of International Labor Day, which falls on 1 May. Provincial leading comrades including Shen Daren, Chen Huanyou, Han Peixin, Sun Han, Sun Jiazhen, Zhou Ze, (Wei Chengan), Zhang Pinhua, (Chen Dingliang), and (Xu Zhicheng), responsible persons from relevant departments, representatives of advanced collectives, and advanced individuals, attended today's meeting.

At the meeting, on behalf of the All-China Federation of Trade Unions, provincial trade unions awarded prizes to 19 advanced collectives and 58 advanced individuals who won the 1990 National Labor Day awards. At the

same meeting, provincial trade unions commended 11 advanced collectives and 71 advanced individuals who won the province's 1990 meritorious service awards.

Provincial leading comrades attending the meeting awarded certificates to winners of national and provincial awards. (Lu Yicheng), chairman of trade unions at Suzhou Electric Fan Plant, who won the National Labor Day award, spoke at the meeting on behalf of advanced collectives and individuals who won prizes. Sun Jiazheng, deputy secretary of the provincial CPC Committee, spoke on behalf of the provincial CPC committee and provincial government. He extended warm congratulations to advanced collectives and individuals who won national and provincial awards and sent regards to all staff members, workers, and other working people who diligently work at province's various fronts. Sun Jiazheng pointed out that this year is the first year of realizing the Ten-year Program and the Eighth Five-Year Plan. Doing a solid job in this year's work is extremely important in realizing the second-step strategic objective in socialist modernization construction. Staff members and workers throughout the province should respond to the calls of the CPC Central Committee and the provincial CPC committee, further deepen reform, and concentrate efforts to do well in economic construction, to bring about a sustained, stable, and coordinated development to our province's economy. Staff members and workers throughout the province should also carry forward the working class's excellent tradition of building an enterprise through arduous efforts, and enthusiastically take part in labor competition activities in connection with the Eighth Five-Year Plan. He also urged workers to learn from individuals; raise political, ideological, and professional quality; make more contributions; promote our province's reform and construction step by step; and open a more beautiful future.

#### **Mao Zhiyong Addresses Commendation Conference**

HK0605074191 Nanchang Jiangxi People's Radio Network in Mandarin 1000 GMT 1 May 91

[Excerpts] The provincial work conference on helping the poor, promoting development, and commending advanced units and individuals excelling in old liberated area construction work concluded in Nanchang today.

The conference commended a total of 317 advanced collectives and 173 advanced individuals who achieved outstanding results in, and made important contributions, to old liberated area construction work in the Seventh Five-Year Plan. [passage omitted]

Provincial party committee Secretary Mao Zhiyong made a concluding speech. Mao Zhiyong said: Leaders at all levels must attach great importance to the work of helping the poor and developing old liberated areas. All departments must give unreserved support to the work. At present, economic development in poor old liberated areas still remains unbalanced. In some places, in terms

of income and living standards, the gap between developed and underdeveloped areas as well as between rich and poor peasants is still widening. [passage omitted]

Leaders and departments at all levels must always bear in mind their task of helping people in the old liberated areas eradicate poverty and achieve prosperity, place the task high on their work agendas, and continue to adhere to the principle of helping the poor and promoting development by stressing economic development. [passage omitted]

It is necessary to implement to the letter all preferential policies aimed at promoting construction in poor old liberated areas, mobilize all forces, work with one heart and one mind, do more realistic things conducive to construction in old liberated areas, and regard the work of helping the poor and promoting development as one of our province's major projects in the Eighth Five-Year Plan and in the next 10 years. [passage omitted]

At the conference, Mao Zhiyong, Wu Guanzheng, Liu Fangren, Zhang Fengyu, Wang Zhongfa, (Su Huige), Shen Hanqing, (Zhang Yuxiang), other leaders, and veteran Comrades (Fu Yutian) and (Xie Xiaoguang) conferred certificates of merit on advanced collectives and advanced individuals excelling in helping the poor and promoting construction in old liberated areas. [passage omitted]

#### **Shanghai Mayor on Promotion of Tertiary Industry**

OW0305030191 Beijing XINHUA in English  
0115 GMT 3 May 91

[Text] Shanghai, May 3 (XINHUA)—Shanghai aims to expand the proportion of the production value of tertiary industry to 35 percent of the city's gross national product by 1995.

To achieve this target, the annual growth rate of tertiary industry will have to be kept at eight percent, according to Mayor Huang Ju.

The city's tertiary industry development program stresses the development of the commercial and financial sectors over the next five years.

Huang said that during the Eighth Five-Year Plan (1991-1995) the city will build a number of multi-functional wholesale centers and large-scale trade and service centers that will incorporate shopping, entertainment, catering and accommodation.

In addition, financial businesses, such as those dealing in securities, foreign exchange, insurance and leasing, will be standardized and expanded, and a number of foreign-funded banks and other kinds of foreign-funded financial organizations will be introduced to the city, said Huang.

The development program for the city's tertiary industry will also include real estate, tourism and information businesses. Foreign co-operation is welcomed in this regard, said Huang.

### Central-South Region

#### Guangzhou Punishes Corrupt Party Cadres

HK0605044891 Beijing ZHONGGUO TONGXUN SHE in Chinese 0934 GMT 4 May 91

[Report: "In Drive Against Corruption, Guangzhou Punishes Number of Cadres for Violating Discipline"—ZHONGGUO TONGXUN SHE headline]

[Text] Guangzhou, 4 May (ZHONGGUO TONGXUN SHE)—Since last year administrative organs at all levels in Guangzhou have investigated and punished a number of cadres for violating discipline. The number of cadres punished has increased by over 80 percent.

Disciplinary action has been taken against 306 cadres, of which 26 are office-level cadres and 78 are section-level cadres. Apart from discharging them from public employment, placing them on probation, removing them from office, or reducing them to a lower rank, around one-third of the discipline violating cadres are handed over to judicial organs for investigation.

Of the cadres punished, 47 percent are involved in corruption and bribery; the proportion of those from the judiciary and supervisory departments has increased; and cases of visiting prostitutes have increased sharply, of which some are rather serious. For example, the expenses for visiting prostitutes are paid by labor contractors or self-employed workers. They make use of each other and exchange power for money.

Regarding the corruption and bribery cases placed on file for investigation and prosecution, cadres used construction projects and the right to approve loans to ask for bribes. Some used their rights to allocate materials to receive commissions. Some others abused their powers to embezzle public funds and line their pockets, with the largest amount exceeding 100,000 yuan. In addition to the subjective factor of poor quality of the offenders, the reason lies mainly in poor management of a number of units and a lack of necessary supervision and inspection.

#### Guangxi Suffers Under Worst Drought Since 1949

OW0405144791 Beijing XINHUA Domestic Service in Chinese 0223 GMT 3 May 91

[By reporter Ji Yongqiang (1518 3057 1730)]

[Text] Nanning, 3 May (XINHUA)—Guangxi is suffering under its worst drought since liberation, and the situation of its agricultural production is very grim. The broad masses of the cadres and the people there, are working as one and doing all they can to combat the drought.

According to a statistics for the period from 1 January to 25 April this year, of the 87 cities and counties in Guangxi, 28 had less than 50 percent and 47 had less than 60 percent of the precipitation of a normal year. Nearly 10,000 rivers have stopped flowing, more than 50 percent of small reservoirs have dried up, and nearly 70 percent of large and medium reservoirs have no water to release, causing difficulty in supplying drinking water to more than 2.5 million people and 1.5 million head of draft animals.

According to a preliminary intermediate-range forecast by the meteorological department, the droughts will likely continue in most parts of Guangxi in the first 10 days of May.

With the worsening of the droughts, the area of affected cropland is expanding rapidly. As of 26 April, the total ares of farmland hit by the droughts in Guangxi exceeded 15 million mu. As the beginning of summer approaches, only some 8.82 million mu of upland rice, less than one half of the planned area of 18 million mu, have been planted in this autonomous region.

Recently, combating drought has become the most important work for the departments concerned at all levels in Guangxi. The autonomous regional party committee and government have successively held emergency meetings, appraised the drought situation, and discussed necessary measures. They call on the people throughout the region to make efforts to combat the drought. At the same time, they call on the leaders of the departments concerned at all levels to attach great importance to the work, go to drought areas, improve their work style, and concentrate all strength on combating the drought.

According to a statistics as of 26 April, the autonomous region has appropriated 5.19 million yuan of funds for combating drought and providing disaster relief; and allocated 700 tonnes of gasoline, 8,000 tonnes of diesel oil for drought-combating purpose, 56,480 tonnes of diesel oil linked to grain production contracts and diesel oil for farm machinery, and 1,200 tonnes of chemical fertilizer for drought-combating purpose. In various localities, some 5.06 million man-days of work have been done, and 52,503 pieces of machine-driven and electric pumps, as well as 2.42 million pieces of other machinery, are being used in combating the drought. The people in some counties and townships in the autonomous region have raised a total of 22.587 million yuan for use in combating drought.

It is reported that all the principal leading comrades of the autonomous regional party committee, government, people's congress standing committee, committee of the Chinese People's Political Consultative Conference, and advisory commission have gone to work in drought areas; a small number have stayed behind to take care of official business. Leading comrades in the drought areas, each assuming specific responsibilities, are organizing and coordinating anti-drought work.

**Hou Zongbin Attends Henan May Day Rally**

*HK0305133991 Zhengzhou Henan Provincial Service  
in Mandarin 2200 GMT 30 Apr 91*

[Excerpt] Yesterday morning workers in the provincial capital, Zhengzhou, held a solemn rally to mark International Labor Day 1 May at the Henan People's Assembly Hall.

Provincial and city leaders Hou Zongbin, Li Changchun, Wu Jichuan, Lin Yinghai, Song Zhaosu, Liu Guangxiang, et al attended.

The rally was chaired by (Gu Zhiping), chairman of the provincial Federation of Trade Unions.

On behalf of the provincial party committee and government, Governor Li Changchun, who is also deputy secretary of the provincial party committee, extended holiday greetings to workers, intellectuals, and other laboring people in various fronts across the province. [passage omitted]

**Henan Increases Rationed Grain, Oil Prices**

*HK0305001791 Zhengzhou Henan Provincial Service  
in Mandarin 2200 GMT 28 Apr 91*

[Text] A few days ago the general offices of the provincial party committee and government jointly issued a circular calling on all localities to strengthen leadership over the work of readjusting the state monopoly marketing prices for grain and edible oil.

The circular stated: The State Council decided that as of 1 May 1991 the state monopoly marketing prices for grain and edible oil would be readjusted upward. This policy was enforced after we had reaped rich harvests for two years running, grain prices had become stable in the open market, and the state had stored a large amount of grain and oil. This policy is of great importance to putting an end to the practice under which state monopoly purchasing prices for grain and oil were higher than state monopoly marketing prices for them, to enlivening circulation of grain and oil, to rationalizing relations between industry and agriculture and those between town and country, and to encouraging economy in grain. Therefore, the provincial party committee and government call on all levels of party committees and governments to conscientiously implement the State Council's policy on readjusting state monopoly selling prices for grain and oil, the provincial government's circular on carrying out the State Council's policy and conscientiously doing well the work of readjusting the state monopoly marketing prices for grain and oil, and the circular jointly issued by the provincial government and the provincial party committee propaganda department on distributing leaflets on increasing prices for rationed grain and oil for residents in cities and towns. All levels of party committees and governments must have an adequate understanding of the policy and truly strengthen leadership over the related work. All levels of people's governments must, taking the overall interest

into account, refrain from increasing prices for grain and oil by taking advantage of the policy. All levels of party committees and governments must take effective measures to help those residents with practical difficulties in accordance with the regulations laid down by the State Council and provincial government and conduct thoroughgoing and painstaking ideological work in light of their conditions. They must also make sure that workers and staff members receive increased subsidies. For people in mountain and old-liberated areas and migrants from the sites of proposed reservoirs, the policy will not become effective until 1 June.

All levels of grain departments must attach primary importance to implementation of the policy, make detailed and meticulous preparations for the work, and do a good job in processing, allocation, transportation, and sale of grain and oil. To ensure the policy will be successfully enforced, all levels of governments and departments concerned must take effective measures to keep prices for vegetables basically stable. All levels of commercial or supply and marketing departments must make great efforts to guarantee the masses an ample supply of daily necessities. The malpractices of abusing power for personal gain, of employing trickery, and of lawless government cadres profiting from regional price differences in grain and oil supplied by the state, in collusion with elements outside the government must be held in check. All levels of price, industrial and commercial, and administrative departments must further exercise strict supervision over the market. Anyone found guilty must be punished in public according to the law.

**Guan Guangfu Praises Art Festivals, Theater**

*HK0305033691 Wuhan Hubei Provincial Service  
in Mandarin 1130 GMT 30 Apr 91*

[Excerpts] On the afternoon of 25 April, provincial party committee Secretary Guan Guangfu called on some representatives to the province's first Chu opera art festival held in Xiaogan and had talks with them.

Guan Guangfu fully affirmed that holding art festivals is a well-designed way for promoting Hubei's new theatrical pattern [as heard] and invigorating and developing local theatrical undertaking. [passage omitted]

He continued: Theatrical pattern concerns the position of various types of dramas. If we left the theatrical pattern alone, letting a hundred flowers blossom in Hubei would be out of the question. As a result, Zhang will say Beijing opera is the best drama since he likes it, while Li will says Huangmei drama is better than others for he is a fan of it. In developing Hubei's theatrical art, we should strategically create a new theatrical pattern with Hubei's characteristics. If we succeed in improving all local operas found in Hubei, a new situation of letting a hundred flowers blossom and a hundred types of dramas contend will emerge. [passage omitted]

Guan Guangfu said: I extend warm greetings to the Chu opera festival, which is very successful. Such an art

festival subjects scripts, actors, conductors, music, et al to tests and will produce talented people, new experience, and new scripts and gives play to collective wisdom. By holding such an art festival, for a single or many operas, we will train our contingents of theatrical workers, make veteran artists feel there is no lack of successors to their theatrical cause, and enable young and middle-aged theatrical workers to enhance their confidence and recognize the heavy responsibilities on their shoulders. [passage omitted]

Guan Guangfu encouraged the representatives by saying: Those comrades engaged in promoting Chu opera must treasure their noble cause and art and cherish love for it. He spoke highly of those comrades loyal to their artistic cause, saying: Those who are satisfied with their poor life and loyal to artistic cause are outstanding members of our artistic contingents. I hope they will devote themselves to advancing Chu opera so the opera will become a flower in Hubei's artistic garden, which is brilliant, eye-catching, and in blossom for ever. [passage omitted]

### **Southwest Region**

#### **Liu Zhengwei Addresses Commendation Meeting**

*HK0305135591 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 29 Apr 91*

[Excerpts] Yesterday [29 April], the provincial federation of trade unions and the provincial economic affairs commission jointly held a commendation meeting in Guiyang. [passage omitted]

Provincial party, government, and military leaders, including Liu Zhengwei, Long Zhiyi, Liu Hanzhen, (Yan Ronggui), Zhou Yansong, Liu Yulin, Meng Sufen, and (Zhong Limin), attended the meeting and conferred certificates of merit on the advanced units and individuals.

On behalf of the provincial party committee and government, Liu Zhengwei extended warm congratulations to all the advanced collectives and individuals commended at the meeting, extended festival greetings, and paid high tribute to the broad masses of workers across the province.

Liu Zhengwei also forwarded new demands on how to push our province's activities concerning proposals for rationalization and technological improvement. He said: It is necessary to earnestly strengthen leadership over and organization of activities concerning proposals for rationalization. Party, government, and trade union leaders at all levels, especially enterprise leaders, must acquire an in-depth understanding of the importance of unfolding mass activities concerning proposals for rationalization, heighten consciousness in leading and organizing such activities, chart a clear-cut orientation for such activities, and seek actual results in this connection. In light of the present conditions of our province's enterprises and the demands of the Eighth Five-year

Plan, it is necessary to integrate the activities concerning proposals for rationalization with the following four aspects: 1. The Quality-Variety-Efficiency Year activities; 2. Socialist labor emulation; 3. Worker quality improvement; 4. Improvement, rectification, and in-depth reform.

He added: It is also necessary to fully mobilize the staff and workers to push our province's activities concerning proposals for rationalization and technological improvement to a new level.

#### **Addresses Religious Conference**

*HK0605031791 Guiyang Guizhou People's Radio Network in Mandarin 2200 GMT 30 Apr 91*

[Text] The provincial religious work conference concluded yesterday [30 April].

Provincial party committee Secretary Liu Zhengwei called for strengthening party leadership and further improving religious work.

Comrade Liu Zhengwei said: Both the new situation and new historical mission demand us to heighten our understanding of the importance of successfully carrying out religious work and to integrate theory with practice in this regard. To this end, we must heighten our understanding, first, from the high plane of Marxist religious theories; second, from the high plane of national stability, nationality solidarity, and motherland reunification; and third, from the high strategic plane of safeguarding reform and opening up, building socialism with salient Chinese characteristics, and foiling attempts made by hostile forces at home and abroad to bring about peaceful evolution.

Comrade Liu Zhengwei said: It is necessary to maintain stability and continuity of religious policies and respect and safeguard freedom of religious belief, this being our party's basic policy on religious questions and clearly stipulated in the Constitution. No state organ, social organization, or individual is allowed to interfere with citizens' belief or nonbelief in religions. While respecting and safeguarding religious belief freedom, it is necessary to manage religious affairs in accordance with the law; strengthen party leadership over religious work; place religious work on agendas of party committees and governments at all levels; lead, guide, organize, and coordinate united front, religious affairs, nationality affairs, propaganda, political and legal affairs, economic and trade, culture and education, science and technology, public health, news and publication, tourism, and other departments as well as such people's organizations as trade unions, Communist Youth League committees, women's federations, and others to enable them to unify ideology, understanding, and policy; carry out division of labor with individual responsibility; carry out close cooperation; and make concerted efforts to carry out religious work in accordance with the central authorities' requirements. It is necessary to strengthen cadre training work. Party schools at all levels, especially

provincial party school and party schools in areas where there are a large number of religious believers, should start religious theory and policy education classes. Areas with good conditions should start special classes to train cadres specializing in religious work. It is necessary to attach great importance to building religious work institutions and cadre contingents and give scope to the patriotic religious organizations' role.

Long Zhiyi, provincial party committee deputy secretary; Wang Anze, vice governor; and (Wan Yaobin), deputy chief of the State Council Bureau of Religious Affairs, attended the conference.

### Tibet Regional Congress Presidium Meets

*OW0305073591 Lhasa Tibet Television Network in Mandarin 1200 GMT 1 May 91*

[From the "Tibet News" program]

[Text] The Presidium for the Fourth Session of the Fifth Regional People's Congress held its second meeting on 30 April and 1 May. Presidium Executive Chairmen Senqen Lozong Gyaincain and Pudoje, respectively, chaired the meeting on the two days. [Video shows closeup shots of both chairmen] Attending this second presidium meeting were executive chairmen for the Fourth Session of the Fifth Regional Congress, namely, Pagbalha Geleg Namgyai, Sengqen Lozong Gyaincain, Budoje, Lang Jie, Jangzhong Zhaxi Doje, and Hu Songjie, as well as party and government leaders of the autonomous region, namely, Raidi, Gyaincain Norbu, Mao Rubai, and (Lue Que), and members of the presidium. [Video shows closeup shots of the leaders as their names are mentioned; then cuts to pan shots of other participants]

A total of 54 people should have attended this meeting, but 21 were absent due to sickness or for other reasons. The actual number of participants was 33, constituting a quorum.

The meeting heard the opinions of various delegations on the examination of the report on the region's Outline of the 10-Year Program and the Eighth Five-Year Plan for Economic and Social Development. The meeting also heard the delegations' opinions on the formulation of the above-mentioned outline.

After voting by a show of hands, the meeting adopted a resolution on the report on the Outline of the 10-Year Program and the Eighth Five-Year Plan for Economic and Social Development and a resolution on the outline itself. The two resolutions will be submitted to the session for final approval.

### Meetings Continue

*OW0405133991 Lhasa Tibet Television Network in Mandarin 1200 GMT 3 May 91*

[From the "Tibet News" program]

[Text] The Presidium of the Fourth Session of the Fifth Tibet Regional People's Congress [TRPC] held its third meeting on the afternoon of 3 May. Lang Jie, executive chairman of the Fourth Session of the Fifth TRPC and executive chairman of the presidium of the session, presided over the meeting.

Of the 54 members of the presidium who should have attended this meeting, 26 were absent due to sickness or other reasons. Thus, 28 members actually attended the meeting, constituting a quorum.

Pagbalha Geleg Namgyai, Sengqen Lozong Gyaincain, Pudoje, Lang Jie, Jangzhong Zhaxi Doje, and Hu Songjie, executive chairmen of the Standing Committee of the Fifth TRPC; and Raidi, Gyaincain Norbu, and Mao Rubai, regional party and government leaders; as well as members of the presidium for the Fourth Session of Fifth TRPC attended the third meeting of the presidium. [Video opens with medium shots of a meeting hall, followed by closeup shots of Lan Jie, who was chairing the meeting, and other leaders as the announcer read their names, followed by medium shots of participants seated in a conference room]

The meeting began by hearing the views on revising the report made by Gyaincain Norbu, chairman of the Tibet Regional People's Government, on the region's Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development. The meeting also heard the opinions of various delegations on Gyaincain Norbu's report and on the financial report. It heard the opinions of the financial and economic committee of the regional people's congress on the regional economy and budget.

The meeting also deliberated and approved and submitted to the TRPC session for deliberation, a resolution on implementation of the region's 1990 National Economic and Social Development Plan and on the draft report on the 1991 Economic and Social Development Plan; a resolution on the region's implementation of the 1990 budget and on the draft report on the 1991 budget; the draft election method for the current session; a report on nomination for election of additional members for the Standing Committee of the Fifth TRPC; and a draft list of vote scrutineers for the Fourth Session of the Fifth TRPC.

**Gyaincain Reports**

*OW0405133191 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 3 May 91*

[From the "Tibet News" program]

[Text] In his report to the 3d Presidium Meeting of the Fourth Session of the Fifth Tibet Autonomous Regional People's Congress, Gyaincain Norbu, chairman of the Tibet Autonomous Regional People's Government, said: Culture and the arts, news publications, radio and television broadcasts, public health services, and sports have developed fairly rapidly.

He said: In culture and arts work, the two-for direction [er wei fang xiang] and double hundred principle were upheld to create and produce a group of excellent literary works and programs, and a large quantity of television films. Sales of newspapers, magazines, and books greatly increased, and the quality of publication was notably higher. The radio and television broadcast industry developed rapidly. Ground satellite stations and television relay stations were constructed in counties throughout the region. Medium wave broadcasting stations were constructed in prefectures and some of our border counties. Radio and television reached 26 percent and 35 percent of the population, respectively. Medical and public health services have largely been improved. Tibetan medicine has made rapid development. The situation of a lack of medical services and supplies in rural and pastoral areas is being improved. Mass sports activities have developed vigorously. The competitive level among outstanding sports teams has risen continuously.

Speaking on further strengthening the work on nationalities and religion, Gyaincain Norbu said: The law of regional autonomy of minority nationalities has been effectively implemented. Nationality cadres are maturing. The learning, usage, and development of spoken and written nationality languages were stressed and strengthened. Encouraging results were obtained in the salvage and collation of nationality heritage.

The Party's policy of freedom of religious belief was implemented in an all-around way. Legitimate religious activities were safeguarded. In the past 10 years, 100 million yuan was invested to renovate and reopen over 1,400 temples and religious activity centers, thereby satisfying the needs of the masses of believers. The education of monks and nuns and the management of temples was strengthened. Rules and regulations on democratic management of temples were enacted, thereby gradually bringing religious activities onto a regular path.

**Deputies Praise Report**

*OW0305201791 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 29 Apr 91*

[From the "Tibet News" program]

[Text] Delegations attending the Fourth Session of the Fifth Tibet Autonomous Regional People's Congress examined and discussed two reports at small group meetings on 28 and 29 April. One was a report on the outline of the Tibet Autonomous Region's 10-Year Program and Eighth Five-Year Plan for Economic and Social Development, and the other was a report on the formulation of the outline of Tibet Autonomous Region's 10-Year Program and Eighth Five-Year Plan for Economic and Social Development.

During the examination and discussion, the consensus of the deputies was: The report on the outline of Tibet Autonomous Region's 10-Year Program and Eighth Five-Year Plan for Economic and Social Development, made by Comrade Gyaincain Norbu, is feasible because it was made in consideration of Tibet's reality. The report has put forward clear and definite principles, policies, tasks, objectives, and demands. The objectives of struggle put forward in the report can be attained, so long as the people of all nationalities in Tibet are of one heart and one mind.

(Bai Zhao), a deputy from Xigaze, said during the examination and discussion: The report completely conforms to the reality of Tibet and Xigaze. The magnificent blueprint suggested in the report is very inspiring. In order to attain our objectives, we must display a spirit of blazing new trails. We will be unable to attain our magnificent goals if we stick to old ideas, old thinking, and old practice. For this reason, we must do a down-to-earth work.

Comrade Gong Daxi spoke at the meeting of the Qamdo delegation. He said: From now on, we must not judge the people's living standards merely by per-capita income figures. We should go to the grass-roots level to familiarize ourselves with the actual situation there, so as to get first-hand information. We should constantly remind ourselves that there are still many families with material difficulties. We should give wide publicity to good deeds of well-to-do families helping poor families shake off poverty. We should encourage people to take the road of common prosperity.

(Gala Ciren) of the Ngari delegation, (Ada) of the Qamdo delegation, and Puqung of the Lhasa delegation expressed their views on how to further invigorate border trade, improve passenger transport service in some counties and townships, and pay more attention to

education in rural areas. [Video shows medium shots of separate small group meetings with approximately 10 to 20 participants each, and closeup shots of some unidentified speakers]

#### Tibet Militia Activities Cited

*HK0605031691 Lhasa Tibet People's Radio Network  
in Mandarin 1030 GMT 5 Apr 91*

[Text] Since 27 September, 1987, our region's broad masses of militiamen have maintained a clear-cut political stand, firmly backed the struggle against splittism, cooperated with public security organs, armed police

forces, and martial-law enforcement troops in resolutely fighting against separatists, and thereby made contributions to social stability.

Statistics show that over the past few years, a total of more than 23,000 militiamen have participated in social order maintenance activities. Through cooperation with the departments concerned, they have arrested five principal rioters and more than 360 other types of criminals, captured more than 2,560 reactionary slogans and leaflets, stopped more than 280 gang fights, smashed more than 150 gangs involved in hooliganism, larceny, gambling, and various other criminal activities, and recovered illicit goods and money totaling 0.57 million yuan.

**'Initial Success' in Taiwan Delegation Talks**

OW0305182191 Beijing XINHUA in English  
1801 GMT 3 May 91

[Text] Beijing, May 3 (XINHUA)—Wang Zhaoguo, director of the State Council's Taiwan Affairs Office, said here today that the current visit by the delegation from the "Foundation for Exchange Across the Taiwan Straits" (FEATS) has achieved initial success.

During a meeting with the FEATS delegation at the Great Hall of the People this morning, Wang said this proves that so long as the two sides of the Straits sit down to hold talks, the questions can be solved step by step. The more talks scheduled and the higher the level of the two parties' representatives, the greater the number of questions that can be solved.

Tang Shubei, deputy director of the Taiwan Affairs Office, who was also present at the meeting, said: "Today's meeting was conducted in a cordial atmosphere."

Director Wang expressed his welcome to the FEATS delegation, headed by Secretary General Chen Charng-ven, on their first visit to the mainland.

Wang said that the two sides exchanged views on the basis of "one China." In addition, he said, "both Taiwan and the mainland are part of China," and that "both sides should make every effort to ensure the reunification of the motherland." The visit has achieved initial success and has promoted mutual understanding and consensus, he added.

Wang briefed the FEATS delegation concerning the mainland's consistent principles and policies regarding a solution of the Taiwan issue, according to Tang Shubei.

Wang said: "We stand for a solution of the Taiwan issue in accordance with the principles of "peaceful reunification" and "one country, two systems."

The mainland practices a socialist system which conforms to the realities on the mainland and which is supported by the people. Development on the mainland over the past four decades can be readily seen by all.

Taiwan has selected the system it wishes to follow. The mainland will not impose its own system on Taiwan, nor should Taiwan attempt to impose its system on the mainland. A reunification, under the principle of "one China," will be accepted by people on both sides of the Taiwan Straits, said Wang.

"We suggest that the Kuomintang (KMT) and the Chinese Communist Party [as received] hold negotiations on an equal basis in order to solve the issue regarding the reunification of the motherland. Negotiations of this type will avoid the sensitive issue of 'who is the central

authority and who is the locality,' and will be more acceptable for the Taiwan authorities.

Of course, negotiations between the two parties does not mean neglecting the views of other parties and persons," he added.

Wang quoted an important speech by party General Secretary Jiang Zemin's on last June 11 as saying "before the negotiation of the two parties, they can solicit opinions on the reunification from other parties; they can invite representatives from other parties and organizations to participate in the negotiation; they can also listen to their opinions after the negotiation."

Wang said that the mainland's proposal for a quick realization of the direct exchange of mail, trade, air transport and shipping services, and two-way exchanges in a number of other fields, is designed to promote goodwill, improve mutual understanding and aid in achieving a consensus.

Deputy Director Tang said that some people in Taiwan misunderstand when they think it will be difficult for the mainland to realize its modernization program without funds and technology from Taiwan. They use this concept as a political tool and artificially postpone a solution of issues which people on both sides of the Straits urgently demand a solution and which in fact should have been solved much earlier. "This is not rational," Tang said.

Tang went on to say that the achievements of the mainland during the past decade are known to all. These achievements resulted mainly by depending on the funds and efforts accumulated by the mainland itself, although funds from compatriots in Hong Kong, Macao and Taiwan, as well as foreign funds also played an important role. Over the past decade, the mainland has absorbed more than 60 billion U.S. dollars of external funding, but recent statistics published in Taiwan show that Taiwan businessmen invested in the mainland with only 0.6 billion U.S. dollars.

He stressed that Taiwan has its advantages, while the mainland also has its own advantages. The two sides should make full use of their advantages, as well as supplement and co-operate with each other. This will be conducive to China's future prosperity.

Tang noted that Director Wang attached great importance to the role of FEATS, and hopes that the nongovernmental organization will play an even more important role.

Wang said: "Some people say that FEATS is a bridge. We hope this 'bridge' will become large and will expand its capacity to facilitate communications."

According to Tang, "In the past, many friends have contributed to exchanges across the Straits, and we will

continue to maintain contacts with them. While we note that some organizations are supported by the Taiwan authorities, nonetheless, when it comes to engaging in exchanges across the Straits, we welcome them as well. In short, we welcome FEATS to engage in exchanges across the Taiwan Straits, and to play a role in the realization of direct exchanges of mail, trade, air transport and shipping services, and two-way exchanges in many other

fields. Other organizations and persons are also expected to play a role in this regard."

Cheng Wendong, deputy director of the National Tourism Administration, also expressed his hope that FEATS will promote tourism across the Straits and help realize direct air transport and shipping service as soon as possible.

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